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Performance Review

Revenue
Five year overview

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (P'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>10,707</td>
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<td>2014</td>
<td>10,440</td>
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<td>2015</td>
<td>9,819</td>
</tr>
</tbody>
</table>

Profit before Tax
Five year overview

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit before Tax (P'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>12,322</td>
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<td>2012</td>
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<td>2013</td>
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<td>2014</td>
<td>12,551</td>
</tr>
<tr>
<td>2015</td>
<td>12,519</td>
</tr>
</tbody>
</table>

Profit before Tax by Product
for the year ended 31 December 2015

- Cash: 45.8%
- Guarding: 7%
- Systems: 17%
- Facilities Management: 8.5%
- Cleaning: 14.5%

Revenue by Product
for the year ended 31 December 2015

- Cash: 16.8%
- Guarding: 5.7%
- Systems: 45.8%
- Facilities Management: 11.7%
- Cleaning: 2.9%

Profit before Tax Contribution by Product
for the year ended 31 December 2015

- Cash: 29.3%
- Guarding: 3.1%
- Systems: 7%
- Facilities Management: 3.1%
- Cleaning: 13.0%

Revenue Contribution by Product
for the year ended 31 December 2015

- Cash: 31.1%
- Guarding: 11.7%
- Systems: 2.9%
- Facilities Management: 46.9%
- Cleaning: 13.0%
A Secure Journey Management

Secure journey management forms a fundamental part of managing our client’s expectations and assuring them of peace of mind.

G4S secure journey management’s highly qualified and experienced consultants provide clients with a “total solution” that can be delivered at strategic, operational and personal levels.

Our clients need to feel that their safety is paramount and that they are in the hands of committed and professionally trained drivers.

G4S Secure Mobility Solutions encompasses a variety of services which are tailored to address the client’s specific risk profile and requirements.
G4S is the world’s leading security solutions group, specialising in outsourcing of business processes and facilities in sectors where security and safety risks are considered a strategic threat.

G4S is a trusted partner of governments, corporations, private companies, embassies, parastatals and non-governmental organisations.

The Company’s integrated approach to offering comprehensive security solutions is based on a broad range of specialist services. This inclusive security solutions capability - under one organisational structure and in tandem with a wide geographical reach - allows G4S to provide a unique approach to comprehensive security solutions.

G4S is listed on the Botswana Stock Exchange and has a shareholding partnership in which G4S International I05 UK holds 70% of the shares while the remaining 30% are in the hands of citizens and local institutions.

Being a subsidiary of G4S plc, listed on the London Stock Exchange, avails the Company the international expertise and resources of a leading global security group.

G4S has about 3000 employees delivering services to clients across the country, including operations in Gaborone, Francistown, Selebi-Phikwe, Ramotswa, Jwaneng, Lobatse, Palapye, Maun, and Kasane, where it has offices.
MANNED SECURITY

G4S Manned Security Solutions are customised to each client’s individual needs, using the most appropriate combination of manned guarding and security technology.

Site-specific and tailor-made procedures are agreed with the client at the onset of each contract. Regular consultation between G4S security managers and the client, especially with regard to risk assessment and customer care, ensures continual adaptation and improvement of performance management and consequent customer satisfaction.

This concept of integrated security solutions is based on two simple objectives: the Company aims to offer the client the most cost effective option available in the market and sets clear quantifiable goals in terms of benefits generated.

As a member of a worldwide market leader active in over 110 countries, G4S Botswana has access to highly specialised security expertise specific to airports, energy, mining, construction, custodial services, cash solutions, hospitality and financial institutions.

A summary of Manned Security Services is as follows:
- Customised security solutions
- Technology integration
- Continual risk assessment
- Sector specialist security e.g. mining, energy, construction, aviation, hospitality, telecoms, retail, financial, diplomatic
- Event Security
- Secure mobility & close protection
Corporate Profile [continued]
SECURITY SYSTEMS

Secure Monitoring and Response
Through its state-of-the-art national control centre in Gaborone, G4S is able to monitor a wide range of individually identifiable signals, including, but not limited to:
- Security alarms
- Electric fences
- Fire alarms
- Medical emergency alarms
- Illegal access signals
- Vehicle tracking
- Low battery power alerts
- Portable panic buttons
- CCTV remote images

Electronic Systems and Technology
In addition to the full range of alarms systems for residential and business applications, G4S designs and supplies the following:
- Access control systems
- Visual alarm verification systems
- Vehicle tracking and fleet management systems
- High security alarms
- Fire alarm systems
- Safes
- CCTV systems
- Time locks / time delay systems for safes and strong rooms
- Intercom systems
- Guard patrol monitoring systems

Scheduled as well as unscheduled technical support for the above product range is also offered.

Fleet Management
- Real-time vehicle tracking
- Efficiency & cost control
- Fuel usage reporting & management
- Time management
- Integration
- Monitoring driver behaviour
- Management reporting
CASH SOLUTIONS

G4S Cash Solutions is the leading provider of integrated cash management solutions in Botswana. The division specialises in the secure transportation and storage of cash and valuables; cash counting; cash processing as well as ATM replenishment and maintenance for a number of the top financial institutions in the country. All movement of cash is carried out in armoured vehicles and use smoke boxes for cross pavement movements.

Key aspects of these services include:
- Cash transport using end-to-end technological protection
- Cash management – processing of deposits and sorting bank notes
- ATM Services – replenishment, first line maintenance and custodial services
- Vaulting - secure storage of cash overnight, on weekends or during public holidays
- Key security – collection and delivery of strong room keys to remove overnight risk to clients
- Security products – tamper evident bags, seals, coin boxes
- Teller planting services – provision of tellers for cash processing services
- Deposita - Supply and management of Automated Banking Machines or smart safes
Facilities Management

Cleaning Services
Services offered by the cleaning division include:

- Contract Cleaning Services for:
  - Offices, Shopping Malls, Banks, Schools, Universities,
  - Comprehensive House Cleaning,

- Specialist Techniques cleaning such as:
  - Steam Cleaning of Carpets,
  - Vinyl Tile stripping and sealing,
  - Wood Floor stripping and sealing,
  - High rise building and window cleaning,
  - Washroom Hygiene Services

Facilities Management Services

- Financial: Rent collection and full accounting services
- Utilities & Services: read utility meters, validate routine recurring charges, allocate and invoice, collect monies due and authorise or make payments within agreed parameters
- Maintenance: inspect and maintain properties
- Facilities Management - full management of properties
- Maintenance services include:
  - Electrical
  - Plumbing
  - Carpentry
  - All building services work

National Cleaning Contractors Association of SA (NCCA) membership enables us to be customer focused and dedicated to meeting and exceeding customer expectations through the operation of internationally accepted cleaning standards (NCCA South Africa). It is our policy to continually improve our processes and services to deliver solutions of the highest quality, on time, keeping the customer informed of the process thereby leading the way in raising the standards and profile of cleaning services in Botswana.
Our Mission and Values

OUR MISSION

TO CREATE SUSTAINABLE VALUE FOR OUR CUSTOMERS AND SHAREHOLDERS BY BEING THE SUPPLY PARTNER OF CHOICE
OUR VALUES

THE COMPANY’S VALUES ARE INTEGRAL TO THE DAILY CONDUCT OF BUSINESS

THESE ARE:

• SAFETY FIRST
  We prioritise safety management to protect the health and wellbeing of our colleagues and those around us.

• PERFORMANCE
  We seek to improve performance year-on-year to create long-term sustainability.

• INTEGRITY
  We can always be trusted to do the right thing.

• BEST PEOPLE
  We employ the best people, develop their competence, provide opportunity and inspire them to live our values.

• TEAMWORK AND COLLABORATION
  We collaborate for the benefit of our customers and G4S.

• EXPERTISE
  We develop and demonstrate our expertise through our innovative approach to creating and delivering the right solutions.

• CUSTOMER FOCUS
  We have close, open relationships with our customers which generate trust and we work in partnership for the mutual benefit of our organisations.
At the G4S Africa Annual Awards Ceremony held on the 13th of April 2015, G4S Botswana scooped the prestigious award of Africa’s Best Cash Solutions Business for 2014.

The award recognises Cash Solutions business in the Africa Region which have exceeded the group’s minimum operating margins, achieved a higher score in meeting the group’s mandatory security principles among other criteria.
Fleet Management Solution

In 2009 G4S rolled out to its customers a fleet management solution that provided a variety of monitoring and management capabilities for increased productivity and improved customer service. Recognising the need to improve and offer superior service to our clientele, G4S in partnership with TomTom, introduced a new and robust fleet management solution, TomTom Telematics. This real-time vehicle fleet management solution offers our customers an improved efficient method of monitoring fuel consumption, management and route optimization capabilities.

Being the only telematics provider in the market to have gained certification for its technology and services under ISO standard 27001 TomTom Telematics sets its self on top of the technology pyramid helping the customer use technology to improve operations by managing speed, fuel consumption, drivers and vehicles behaviours which has resulted in marked decrease in number of accidents, as well as reduced operational costs.

The TomTom telematics solution combines in-vehicle hardware and a web-based application to store, view and analyse data on specific vehicles as well as overall fleet performance. Key features include GPS fleet tracking; asset tracking; fleet maps; preventative maintenance; and other fleet management tools.

The TomTom solution can be used in a wide variety of industries including:

- **Transportation** – With accurate data vital in the competitive commercial transportation industry, fleet operators can verify the location of vehicles, improve on-time service, and maintain the health of vehicles.

- **Energy and Utilities** – With constantly rolling fleets within the energy and utilities industry, fleet managers can improve employee efficiency, cut fuel use, and reduce overall mileage.

- **Government** – As government departments manage large fleets for a variety of services, fleet tracking can help analyse fuel use, track vehicle location and improve overall efficiency.

- **Retail and Distribution** – Whether a company delivers durable goods, non-durable or perishable goods, operators can make sure goods are delivered on time.

- **Construction** – Fleet management gives greater management controls and visibility over jobsites and vehicle operations.
Against this relatively gloomy backdrop, G4S showed strong performance, confirming the success of the Turnaround Strategy begun in 2014. While revenue grew by a relatively modest 3.8%, this was a strong performance given the difficult trading environment.
Overview

2015 proved to be a successful year for G4S Botswana (Limited), following on from the turnaround of 2014 and three very challenging prior years.

The global economy continued to slow down in 2015, exacerbating the following economic challenges faced by Botswana: weakening demand for diamonds and other minerals, which make up the bulk of the country’s exports; dramatically falling commodity prices; and a volatile currency market. Despite rallying in the last quarter, the Botswana economy posted a 0.5% decline in GDP in the 2015 calendar year.

Against this relatively gloomy backdrop, the Company showed strong performance, confirming the success of the turnaround strategy begun in 2014. While revenue grew by a relatively modest 3.8%, this was a strong performance given the difficult trading environment. The Company achieved this through meticulous control of overhead expenses, which declined by a significant 10.7%. Operating profit increased by 3.7% and profit before tax grew by 8.8% from P35.9m in 2014 to P39.1m in 2015. This demonstrates that the turnaround initiated in 2014 was sustained into 2015, despite expectations that this would be impossible in the prevailing economic circumstances. However, taxation was higher than anticipated due to timing differences on customer receipts for advance payments. Consequently, net earnings rose by only 2.4%.

Success of the Turnaround Plan

The rationalised, more compact management team effectively implemented the 2014 turnaround strategy and carried this momentum throughout 2015, emphasising cost management, operational efficiencies, improved financial administration and the team’s dogged pursuit of the principle of “revenue at the right margin.” The financial results thus confirm that the Company continues to utilise the platform for growth and expansion established by the revised management and operational structure, and maintains its core focus on customer satisfaction and ensuring the highest standards of operation and management. The restructuring exercise and the implementation of the strategic plan have therefore been extremely successful, and will ensure growth and profitability for the Company in the coming years.

The Cash Solutions division was the year’s leading performer, with added contracts and the successful roll out of the ‘Deposita’ smart safes. A fleet upgrade programme has also provided the division with the capacity to meet the demands of an expanding business. Restructuring has resulted in more efficient and dynamic administration of the Manned Security, Secure Monitoring and Response, and Cash Solutions divisions under a single director. However, the manned security sector in Botswana presents a multitude of challenges. It is therefore hoped that the eventual enforcement of the long-anticipated Public Security Services Act of July 2015 will effectively regulate the plethora of operators in the market and reward greater investment in service quality.
Chairman’s Report [continued]

Employee Development
The Company’s employees continue to receive relevant training and development, facilitated by the committed management team. An 80-seat Staff Training Facility was recently opened at the Company’s complex in Commerce Park. The facility has greatly enhanced the Company’s capacity to provide comprehensive training courses to existing employees and new recruits through its Botswana Qualifications Authority-accredited professional trainers.

The Company has integrated the implementation of its three-year Strategic Plan into its policies and practices, and continues to instil the value of “Safety First” into its employees with the goal of achieving zero harm. For the fourth consecutive year, and in recognition of the emphasis the Company places on achieving the goal of a fully motivated, skilled and professional workforce committed to customer satisfaction, efficiency and safety, G4S (Botswana) Limited was accorded Top Employers Africa 2015/2016 status by The Top Employers Institute.

Governance
Board of Directors: Mr Michael Druce resigned as a Director in June 2015 and Mr Melvyn Brooks was appointed in his place.

Audit Committee: A functional Audit Committee meets once every quarter.

Shareholder Returns
G4S (Botswana) Limited paid an interim normal dividend of 10.87 thebe per share (gross of tax) and a final normal dividend of P10.88 thebe per share (gross of tax) has been proposed during 2015, equating to a total dividend of 21.75 thebe (gross of tax), an improvement of 2.98% on 2014.

Conclusion
The difficult years from 2010 to 2013 are now firmly behind us, and the Company looks forward to continued growth and profitability on the back of the now fully implemented and successful turnaround strategy. Having right-sized its business, rationalised its debtors’ book, and streamlined its organisational structure, the Company is well positioned to build on its achievements and chart a path to greater success in the future.

While the current state of the economy is likely to impact growth, outlook for the Company in 2016 and beyond is optimistic. This is thanks to the commitment of the management team and the staff, all of whom have not only taken full ownership of the turnaround, but also continue to develop and improve their capacity to deliver excellent customer service.

My sincere appreciation and congratulations go to the board, the management team, and the staff of the Company for their commitment to ensuring that it continues to refine its operational effectiveness and enhance its financial performance in the wake of the successful implementation of the turnaround strategy. I also thank the Company’s shareholders and customers for their continued confidence and support. The Company will continue to benefit from its new focus and they can therefore look forward to continued success in 2016 and beyond.

Lebang Mpotokwane
Chairman
What sets us apart from our competitors is our ability to anticipate and respond to the changing needs of our diverse client base:

1. Health and Safety
   We prioritise safety management as well as the health and well-being of our employees.

2. Training
   We continue to invest in the training and development of our employees at all levels so that they can reach their full potential.

3. Secure Solutions
   Risk services and consultancy
   We offer risk management consultancy services which include personal protection, training, mine detection and clearance services.

   Security systems
   We offer comprehensive access control, video analytics and security and building systems technology integration.

   Monitoring and response Fast mobile security patrol and response services.

   Secure facilities services
   We offer an integrated facilities services for entire sites or estates for commercial customers and governments.

   Manned security services
   We offer trained and vetted security officers.

   Cash Solutions
   We manage cash on behalf of financial institutions including cash transportation, high security cash centres, counting and reconciling cash, fitness sorting of notes for use in automated teller machines (ATMs), counterfeit detection and removal, redistribution of cash to bank branches, ATMs and retail customers, cash transportation.

Cash 360
With the introduction of Deposita devices we offer a unique system associated with the safeguarding, collection and processing of cash notes within the retail environment.
The company has an effective Board of Directors to lead the company strategy.
LEBOGANG MPOTOKWANE
Chairman

Lebang Mpotokwane joined INCO Holdings – now G4S Botswana Limited – as a shareholder and Executive Director in 1989, and has served as the Non-Executive Chairman of the Company since 1992. Mr Mpotokwane also served as the Non-Executive Chairman of AON Botswana and of Associated Fund Administrators Botswana since 1991. He has been a director of Komatsu Botswana since 1993.

Mr Mpotokwane previously served as Chairman of the University of Botswana Council and his other non-executive directorships have included the Botswana Development Corporation, Debswana Diamond Company, Standard Chartered Bank of Botswana, PG Industries (Botswana) and Rural Industries Promotions Company Botswana.

MICHAEL KAMPANI
Managing Director

Michael Kampani re-joined G4S Botswana as Managing Director in July 2013. A seasoned accountant, Michael had previously served G4S Botswana as Finance Director from November 2007 to March 2011, and as Group Financial Controller from June 2006 to November 2007. Prior to his being appointed Managing Director, he served as Regional Financial Controller for Africa from April 2011 to June 2013 and was based at the G4S Regional Head Office in South Africa.

Michael has been with the G4S group since April 1999 having started his G4S career in Malawi as Chief Accountant and has since served in various capacities in Malawi, Botswana and South Africa.

He is a Chartered Management Accountant (ACMA, CGMA), CA (Malawi) and also holds a B.Com degree in Accountancy. In 2010 Michael completed a two-year G4S Global Leadership Programme run jointly by G4S and the Manchester Business School.
BERNARD MOTSHIDISI MVAMI  
Finance Director

Bernard Motshidisi Mvami has worked in the accounting field for over 10 years. He started his career in November 2004 with the Botswana Red Cross Society as an Accounts Clerk. In May 2005, he joined Toners for Africa as an Accountant and moved to Botswana Couriers in January 2006, still as an Accountant.

He joined G4S in July 2008 as an Accountant and was appointed Finance Manager in February 2010. He was part of the team that worked on the amalgamation of local subsidiary companies in 2010. He has also been involved in various integration projects within G4S. In May 2015, he was appointed Finance Director.

Bernard is a Member of the Association of Chartered Certified Accountants (ACCA). He holds an Association of Accounting Technician (AAT) qualification.

TUMIE MBAAKANYI  
Non-Executive Board Member

Tumie Mbaakanyi is a financial consultant in private practice, with over 15 years combined experience in: external audits, internal audits, due diligence engagements, business valuations, corporate renewals / strategic turnaround of companies, corporate strategy facilitations, risk management, financial management, quality management systems (QMS) development & implementation, judicial management, business valuations, business brokerage (matchmaking) and company secretarial services.

She is a fellow member of both the Association of Certified Chartered Accountants (ACCA) and the Botswana Institute of Chartered Accountants (BICA). She is an associate member of the Association of Certified Fraud Examiners (ACFE).

She also holds a Bachelor of Arts degree (Economics and Accounting).

LORATO MOSETHHANYANE  
Non-Executive Board Member

Lorato Moseothanyane is a Fellow of the Association of Chartered Certified Accountants (FCCA) and holds a Masters degree in Business Administration (MBA) from Oxford Brookes University in the UK.

Lorato is the founder of PinnaLead (Pty) Ltd, a company she started in March 2013 after working as an accountant at different levels for over seventeen years. She is also an integral coach, having completed the Associate Coaching Course (ACC) through the Centre for Coaching which partners with the Graduate School of Business at the University of Cape Town and New Ventures West, based in San Francisco.

Lorato currently serves on the Botswana African Youth Olympic Committee (BAYCOG) and she brings a wealth of experience to the G4S Botswana Board, which she joined in November 2013.

GAONE MACHOLO  
Non-Executive Board Member

Gaone Macholo has been in Human Resources for 22 years and is currently employed as Director - Human Resources at First National Bank Botswana. She has served on the Board of G4S as Non-Executive Director since August 2012.

Before joining FNBB, she held the executive position of Divisional Manager, Organisation Capability at BCL. Prior to that, Gaone was with Debswana Diamond Company where she started off as a Human Resources Superintendent, rising through the ranks to become a Senior Human Resources Manager at Jwaneng. Her responsibilities at Debswana covered employee relations, the development and implementation of the Human Resource Management Strategy, driving the performance management system and various other duties. Gaone has also worked for BTC and the Ministry of Health.

Gaone holds a Bachelor of Sciences from the University of Botswana and a Master of Public Health, Health Policy and Management from the University of Massachussetts. She also completed an Executive Leadership Development Programme with the University of Cape Town, and holds a Certificate in Industrial Relations from University of Witwatersrand.

MEL BROOKS  
Non-Executive Board Member

Mel joined G4S in 2012 and has held a number of senior roles including Managing Director, India and South Asia where he led the transformation of G4S businesses in India, improving customer service and achieving significant cost-efficiency and revenue growth. More recently, as Group Strategy and Commercial Director, Mel has led group-wide business planning and strategy process, improved our global sales operations and coordinated the development of technology plans.

Prior to joining G4S, Mel held a number of senior line and functional roles in the defence and technology industry where he was responsible for service line and commercial strategies, technology development and leadership of a number of business unit turnaround programmes.

Mel was appointed Regional President for G4S Africa on 27 May 2015.

TUMIE MBAAKANYI  
Non-Executive Board Member

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Mel was appointed Regional President for G4S Africa on 27 May 2015.
Audit Committee

The Audit Committee is responsible for the oversight of the quality and integrity of the company’s accounting and reporting practices, controls and financial statements.
OWNERSHIP OF THE COMPANY

G4S (Botswana) Limited has a shareholding partnership between the world’s leading security group (G4S Plc listed on the London Stock Exchange) and a wide band of Botswana citizen shareholders, including citizen pension funds. 70% of the issued shares are controlled by G4S International 105 (UK) Limited. Shares in G4S Botswana can be purchased through licensed stockbrokers.

BOARD CHARTER

The board provides continuity for the organisation by determining corporate policy and providing strategic direction. G4S’s global standards also require internal finance reviews and a bi-annual detailed assessment of corporate governance and management of contingent risk.

AUDIT COMMITTEE

The committee continuously reviews reports on the management of internal controls, risk management and management of accounts. It also reviews the audited annual financial statements and makes recommendation for their approval by the Board. The audit committee comprises the following directors: Mrs Lorato Mosetlhananye (Chairperson), Mr Michael Kampani, Mr Bernard Motshidisi Mvami, Ms Tumie Mbaakanyi and Mrs Gaone Macholo.

THE BOARD

<table>
<thead>
<tr>
<th>MEMBER</th>
<th>POSITION</th>
<th>DATE AND PERIOD OF APPOINTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lebang Mpotokwane</td>
<td>Non-Executive Chairman</td>
<td>Appointed in 1989 as an Executive Director and has been Non-Executive Chairman since his appointment in 1992.</td>
</tr>
<tr>
<td>Michael Kampani</td>
<td>Managing Director</td>
<td>Appointed in July 2013.</td>
</tr>
<tr>
<td>Bernard Motshidisi Mvami</td>
<td>Finance Director</td>
<td>Appointed in June 2015.</td>
</tr>
<tr>
<td>Lorato Mosetlhananye</td>
<td>Non-Executive Director</td>
<td>Appointed in November 2013</td>
</tr>
<tr>
<td>Mel Brooks</td>
<td>Non-Executive Director</td>
<td>Appointed in June 2015.</td>
</tr>
<tr>
<td>Tumie Mbaakanyi</td>
<td>Non-Executive Director</td>
<td>Appointed in November 2014</td>
</tr>
<tr>
<td>Gaone Macholo</td>
<td>Non-Executive Director</td>
<td>Appointed in August 2012.</td>
</tr>
</tbody>
</table>
Executive Committee

A vibrant management team is entrusted with executing the company strategy under the oversight of the board of directors.

MICHAEL KAMPA

BERNARD MOTSHIDISI MVAMI

OLEFILE SETSWAMOKWENA

CATHERINE NLUMBLE

MOLEFE MATLHAPE

KUTLO BROWN
Headed by the Managing Director, the Executive Committee comprises the Finance Director and senior management. Its role is to implement the strategic direction and objectives of the company as set out by the Board. The committee meets on a weekly basis and is fully accountable to the Board of Directors.

MICHAEL KAMPANI
Managing Director
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CATHERINE NLUUMBILE
Operations Manager - Facilities Management
Catherine Nlumbile joined G4S Botswana in November 2012 as an Operations Manager for Cleaning Services and following the resignation of the General Manager for the FMS in 2013, Catherine assumed overall responsibility for FMS Division.

Catherine has gained a wealth of experience in both the Hospitality and Facilities industries. She had the opportunity to train and work for the most reputable organisations in Botswana.

Catherine currently holds a Certificate in Front Office Operations from Kenya Utalii College and and a Bachelors’ Degree in Hotel and Hospital Management from the University of Strathclyde in Glasgow, UK.

OLEFILE SETSWAMOKWENA
Human Resources Director
Olefile Setswamokwena joined G4S Botswana in 2006 as the Human Resources Officer responsible for the entire Group. He was appointed Human Resources Manager in January 2009 where he continued with his previous responsibilities, albeit at a more senior level. In April 2012 he was appointed Human Resources Director, a position he holds today. He also currently serves as Principal Officer of the G4S Botswana Staff Pension Fund.

Olefile holds a Bachelor’s Degree in Technology – Human Resources Management from the Durban Institute of Technology, a Management Development Programme from the University of Stellenbosch Business School and a Master of Science Degree in Strategic Management from the University of Derby.

Molefe enrolled for an Executive Management Advancement Program in 2008 and completed it in 2009. He has served the last couple of years as General Manager of Systems and was recently given a new role, effective January 2014, as Operations Director responsible for Manned Security and Systems divisions.

Molefe matlhape
Operations Director
Molefe matlhape completed his first degree in 2002 at University of New York in the USA and joined G4S as a Trainee Manager. He assumed various roles within the organisation and his first senior managerial role was a General Manager for Alarm Response & Monitoring in 2008. Shortly after assuming the GM position another division was merged into his portfolio thus seeing him assuming GM role of Alarm Monitoring & Response and Technical Division under the new name of Systems Division.

KUTLO BROWN
Sales Director
Ms. Kutlo Brown joined G4S in February 2016 as Sales Director. Prior to joining G4S she has over 8 years Sales experience having worked in the Banking and Logistics industries. Kutlo has worked for BancABC in Treasury Sales, DHL International Botswana as Country Sales Manager and Standard Chartered Bank as Head of Sales-SME Banking. Kutlo completed her Bachelor of Commerce (BCom) degree from The University of Witwatersrand in Johannesburg, South Africa also completed a Certificate of proficiency-Long Term insurance from the Botswana Accountancy College.
Managing Director’s report

2015 was a productive and successful year during which we consolidated our robust transition towards growth in profitability which we began in 2013. Following the implementation of a successful Turnaround Plan in 2014, the Company has maintained sustainable growth and met most of its targets, while operating in a challenging domestic and global economy.

Highlights

Major highlights of the year include;

- the turnaround of our Manned Security division

- and double digit growth recorded for the Cash Solutions business among others.

Revenue for the year ended 31 December 2015

<table>
<thead>
<tr>
<th>Segment</th>
<th>2014</th>
<th>2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>62,724</td>
<td>68,655</td>
<td>5,931</td>
</tr>
<tr>
<td>Guarding</td>
<td>67,944</td>
<td>64,757</td>
<td>-3,187</td>
</tr>
<tr>
<td>Systems</td>
<td>55,137</td>
<td>57,974</td>
<td>2,837</td>
</tr>
<tr>
<td>Facilities</td>
<td>3,313</td>
<td>3,700</td>
<td>387</td>
</tr>
<tr>
<td>Cleaning</td>
<td>15,814</td>
<td>15,361</td>
<td>-453</td>
</tr>
</tbody>
</table>

PROFIT BEFORE TAXATION UP BY 8.8%

OVERHEADS DOWN BY 10.7%
Manned Security showed positive revenue growth for the first time in three years, posting a healthy 8.2% increase in revenue against a 3.6% decline the previous year. Profitability also grew by 7%.

Cash Solutions on the other hand saw revenue grow by 10.6% and profit by 45.8%.

These results are very satisfactory given the challenging trading environment and I can confidently say that G4S is well positioned to successfully implement its current strategy, having met most of its 2015 targets outlined in the turnaround plan:

1. **Organic Growth:** Though below expectations, the 3.8% actual growth in 2015, from P200.4m in 2014 to P207.9m, was very satisfactory given the circumstances. Right-sizing of the systems business has contributed to a reduction in expected revenue, however the potential for future organic growth has increased across divisions.

2. **Profit Growth:** Operating profit increased by 3.7% and profit before tax grew by 8.8% from P35.9m in 2014 to P39.1m. This is demonstration that the turnaround of 2014 has been sustained into 2015, despite the prevailing economic circumstances. Net earnings rose by 2.4% due to increase in taxation associated with advance income relating to the 2016 financial year which was received in 2015.

3. **Operational and Service improvements:** The organisational restructuring has resulted in a streamlined and effective management team and enhanced operational efficiencies. We further completed the consolidation of all our security operations under one operations director by adding Cash Solutions to the portfolio during the year. By having all our three security segments of Manned Security, Electronic Security and Cash Solutions under one Operations Director, we have realised operational efficiencies and improved customer service as many essential contracts draw from all three functions. Increased communication and transparency between staff has contributed to enhanced efficiency and smooth service delivery.

4. **Training and Development:** Training and induction continued to be a priority in 2015 and intensive front-line and support staff training was conducted during the year. A key milestone in this regard was the opening of our own well equipped training centre in Commerce Park. With this facility we are able to offer training programs unhindered throughout the year.
Manned Security

Despite a number of constraining external factors, our Manned Security division has realised its potential, showing positive growth for the first time in three years, and posting a healthy 8.2% increase in revenue against a 3.6% decline the previous year. We believe that, given the very difficult domestic market conditions, the division has performed above all expectation. Through methodical contract evaluation and consolidation, we have continued to seek profitable and stable contracts aiming to balance ‘revenue with the right margin.’

Although regulation, in the form of the Private Security Services Act of July 2015, is yet to be implemented, we anticipate positives in the form of clear minimum standards of practice including appropriate training, health and safety practices, and consumer protection such as liability insurance. We welcome the advent of improved, standardised practices in the Botswana manned security market.

Electronic Security

The Electronic Security division’s performance is largely sustained by secure monitoring and response operations. Following our ‘right-sizing’ efforts, our customer base has been reduced and this contributed to the -5.7% contraction in this division. We view this as a positive trend however, as we have eliminated unreliable accounts, and are safeguarding against non-paying debtors. During the year the division delivered some larger installations of CCTV and Access Control systems and also launched a new fleet management product. The future outlook for the division is therefore positive, with our current and prospective client base likely to secure sustainable, profitable income generation in the medium term. Secure Monitoring and Response continues to demonstrate technical improvements contributing to accurate monitoring, reduced response times and efficient fault resolution; resulting in overall improvements in quality of service.

Cash Solutions

The Cash Solutions division has responded exceptionally well to our strategic initiatives, and is operating more efficiently as a result of continued efforts to match vehicle fleet size with operational requirements and cost efficiencies. Allied with an ongoing process of route optimisation, the division saw organic growth of 10.6% and 45.8% growth in profit.

Our bank ATM management services have expanded to rural regions outside our two largest cities, Gaborone and Francistown, particularly in the South-East and Southern Districts. In addition, the ‘Deposita’ automated banking machine continued to gain momentum in 2015 and contributes to a promising outlook for the Cash Solutions division.

Facilities Management

Despite a fairly saturated market, we have continued to expand our growing Facilities Management division, which experienced revenue growth of 4.7% in 2015. Nevertheless, the division anticipates some pending proposals to be realised in 2016, and is receiving an increasing number of inquiries, reflecting an observed market trend towards outsourced facilities management services for retail and office properties in Botswana.

Human Resources

G4S Botswana gained its fourth consecutive “Top Employer” accolade from the Top Employer Institute for the year 2016.

Throughout 2015, our HR division has contributed significantly to the sustained success of the Strategic Plan. Ongoing training and development of staff have been well received, and feedback from our biennial employee engagement survey has shown an upward trend in overall score and a 75.9% response rate; an increase of over 25% from the 2013 survey.

During 2015 we implemented a number of operational and service improvement initiatives, including the adoption of rigorous standards in employees’ health and safety.
Consolidation of our management team, specifically linking the Cash Solutions and Manned Security and Systems operations under one director, has been effective in improving service, realising efficiencies and reducing operational costs. Our customers’ needs increasingly cut across divisions and service offerings and will be best served by continuing to enhance horizontal communication channels going forward.

**Sales and Marketing**

The market remains largely tender-driven, and with limited economic growth domestically, many businesses are undertaking cost cutting measures and downsizing their operations. In response to this challenge, have restructured our sales department, and are therefore well equipped to implement our growth strategy.

A number of initiatives undertaken during the year include the opening of a fully-fledged branch in Kasane, enabling us to offer all our services to the tourist town. We made good strides in growing our business pipeline and were successful in retaining most of our key contracts that were expiring.

**Future Prospects**

During 2015 we managed to consolidate the gains achieved in 2014, we have now fully integrated the key objectives into our day-to-day operations, and meeting most of its targets. Addressing organic revenue growth objectives, we have identified both internal and external factors that will be incorporated into future revenue generating strategies. Going into 2016 we will continue with our strategic focus to grow our revenue base by differentiating our service offering and introduction of new technologies and measured investments to supplement and support our current offerings.

These strategic enhancements, as well as encouraging Facilities Management market trends, offer G4S (Botswana) Limited the potential to consolidate and develop a diverse range of reliable revenue streams in the years to come.

**Acknowledgement**

I would like to acknowledge the staff and management team of G4S (Botswana) Limited for their concerted efforts in 2015, successfully applying to excellent effect the four pillars of our now fully integrated strategy. We look forward to the results of our efforts in 2016, and strive to maintain the dedication, teamwork and focus we have demonstrated this far. I would also like to express my appreciation to the Board and regional management for their guidance and support that continue to reinforce our success.

Michael Kampani
Managing Director
Overview

Despite a very challenging business environment, 2015 was a very successful year for G4S (Botswana) Limited, marked by the integration of our 2013-2014 Strategic Turnaround Plan with our day-to-day business operations. In doing so, we have created a platform for sustainable growth by right-sizing our revenue stream and continuing our strategy of ‘revenue at the right margin.’

Finance Director’s report

Overview

Despite a very challenging business environment, 2015 was a satisfactory year for G4S (Botswana) Limited, with an overall revenue growth of 3.8% achieved. Profit before tax was 8.8% higher than corresponding year mainly due to continued cost efficiency programs and implementation of other productivity initiatives.

Profit before Tax by Product
for the year ended 31 December 2015

<table>
<thead>
<tr>
<th>Product</th>
<th>2014</th>
<th>2015</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>1352</td>
<td>1788</td>
<td>25.2%</td>
</tr>
<tr>
<td>Guarding</td>
<td>798</td>
<td>500</td>
<td>38.3%</td>
</tr>
<tr>
<td>Systems</td>
<td>13341</td>
<td>14644</td>
<td>24.9%</td>
</tr>
<tr>
<td>Facilities</td>
<td>838</td>
<td>810</td>
<td>3.0%</td>
</tr>
<tr>
<td>Cleaning</td>
<td>174.5</td>
<td>132.2</td>
<td>-24.0%</td>
</tr>
</tbody>
</table>

Annu A R 2015
A 10% improvement on overheads from 2014, mainly driven by continued efficiency programs. There was reduction in trade receivable impairment especially on alarm monitoring customers. The business continued to re-align its organisational structure, where some positions were consolidated as they fell vacant.

Taxation expense grew by 34.7% mainly due to advance customer receipts, mostly alarm monitoring subscribers who paid for 2016 service by 31 December 2015.

Amounts receivable from Group treasury have increased by £13.6m to £39.6m due to success of debt collection initiatives. The business continued to invest excess cash and realised an increase of 121.8% in investment income. There was an increase in operating cash flow percentage from 116.8% in 2014 to 133.2% in 2015, indicating that debt management initiatives are having a positive effect.

**Manned Security**

The division grew by 8.2%, despite increased competitive pressure. This was driven mainly by good customer retention rate and satisfactory new business. Profit before taxation increased by 7% mainly due to continued cost efficiency and other productivity programs.

**Electronic Security**

Revenue for the division declined by 5.7% in 2015, mainly due to right-sizing of the alarm monitoring client base for credit reasons. The right sizing project has created a much healthier outlook for the division going into 2016. There was an overall reduction in trade receivable impairment for alarm subscriber customers following management’s initiatives to maximise debt collection.

**Cash Solutions**

The Cash Solutions division continued to perform strongly in 2015, recording a 10.6% increase in revenue. This was mainly driven by a cash management contract that started in October 2014, having a full year impact in 2015. There was also a good customer retention rate. Deposita sales are expected to improve from 2016 going forward.

Other productivity programs contributed to the division’s improved gross margin by 23.9%. These programs include route planning and management of vehicle costs.
Facilities Management Services
Mark penetration by the Facilities Management Services division has stabilised, and revenue growth of 11.7% in 2015 was driven mainly by new business. There was also good customer retention rate.

Cleaning Services
The division realised a revenue growth of 2.9%, despite competition. There was a 29.4% decline in profit from operations, mainly due to a one off balance sheet clear up relating to prior years depreciation on motor vehicles.

Dividend
Total dividend for the year was 21.75 thebe per share proposed; up from 21.12 thebe in 2014. The company maintained its dividend pay-out policy during the year 2015.

Bernard Motshidisi Mvami
Finance Director
Corporate Social Responsibility

CSR Commitment

Our corporate values influence every aspect of our culture and day-to-day business activity, and underpin our corporate social responsibility (CSR) strategies.

It is with this in mind that our CSR strategies and priorities are developed in conjunction with our operational businesses. They help to improve the way we work and our approach to doing business.

A proud participant of the Bhubesi Pride shows the world his newly acquired credential.
BHUBESI PRIDE - 2015

The G4S Africa Region is in its fourth year of supporting Bhubesi Pride and rugby in Africa.

By leveraging manpower and its local business contacts in eight countries (Botswana, Kenya, Malawi, Namibia, South Africa, Tanzania, Uganda and Zambia) to provide numerous services and donations for all participating young rugby players.

The program involves teams of qualified coaches and teachers working in eight Africa countries during six month missions, delivering mass participation rugby, sports and education programs in schools and street communities. While rugby coaching is at the core of Bhubesi Pride’s expedition, the participating G4S countries contributed a lot of resources and activities that make every stop on the way so special for all participants. G4S Botswana contributed to the success of this annual event. Over a period of 3 days and working with around 250 children the majority of which hail from the Old Naledi Community, G4S Botswana fed and delivered Health and Safety workshop talks lead by our Health and Safety Manager, Eunice Keabetswe.
In line with the G4S values, in particular Safety First, G4S Botswana found it necessary to assist a primary school in Old Naledi which was in dire need of assistance. Tshwaragano Primary School has historically suffered severe break-ins, vandalism and was struggling with providing its +/-1,000 children with sufficient ablution facilities.

Through their efforts, G4S Botswana repaired all the school’s broken windows, installed burglar bars to secure the admin block (containing the school’s valuables and electronic equipment), sanitised and restored four blocks of lavatories and installed metal locking devises to secure the lavatories, to curb vandalism. The aim of project was to ensure that children attending the school would be provided with warmer classrooms, improving and making readily available functional ablution facilities as well as securing the school valuables.
As part of its corporate social responsibility for 2015, G4S Botswana Limited donated a washing machine, Television set, DVD players, ironing boards and irons to the Special Unit of Aerodrome Primary School in Francistown which caters for 90 or less children who suffer from various disabilities.

Through their efforts G4S managed to equip these special children with tools that will help stimulate their skills.
G4S ACHIEVED THE PRESTIGIOUS TOP EMPLOYERS AFRICA 2016 CERTIFICATION.

G4S has been awarded Top Employer in the following African countries: Botswana, Cameroon, Côte d’Ivoire, DRC, Ghana, Kenya, Malawi, Morocco, Mozambique, Namibia, Nigeria, South Africa and Zambia. As a result of this triumph, this certification positions us as the employer of choice with the largest footprint in Africa and showcases our dedication to the development of our people.

G4S is the only private security company in Africa that has ever been awarded Top Employer certification. This is a remarkable achievement, particularly as we have been awarded 9 certifications in 2013, 11 certifications in 2014 and 2015, and now 13 certifications in 2016.

The Top Employers Institute is an independent organisation studying the employee offerings of significant employers around the world and comparing them against the international standard. As such, only the world’s leading employers become certified as Top Employers.

THE NEXT LEVEL
As a certified Top Employer, we can proudly wear the exclusive Certification Seal for a year. The Certification Seal is not only a recognisable symbol of our successful employee environment over the past 12 months, but also of our commitment to optimise, develop and work with our people to become an even better employer.

The annual international research undertaken by the Top Employers Institute recognises leading employers around the world: those that provide excellent employee conditions, nurture and develop talent throughout all levels of the organisation, and which strive to continuously optimise employment practices.

Crucial to the Top Employers process is that participating companies must meet the required high standard in the research in order to achieve the certification. The Top Employers Institute assessed G4S’ people practices on the following criteria: Talent Strategy, Workforce Planning, On-boarding, Learning & Development, Performance Management, Leadership Development, Career & Succession Management, Compensation & Benefits and Culture. The independent research has verified G4S’ outstanding employee conditions in all certified countries. This earned G4S Africa a coveted spot among a choice group of certified Top Employers.
Health and Safety

At G4S, the health and safety of our employees is of great importance.

Our employees provide a wide variety of risk based services under very challenging conditions, in often hazardous and / or hostile environments. It is therefore essential that the physical and mental wellbeing of our employees is considered a strategic priority.

We at G4S are committed to developing a well established safety culture throughout the entire organisation. We prioritize safety management to protect the health and well-being of our colleagues and those around us.
International Certificate in Health and Safety

As a demonstration of our commitment to Health and Safety, two G4S employees, Olefile Setswamokwena, Human Resources Director and Eunice Keabetswe, Human Resources Manager (SHE) successfully completed the British Safety Council ICertOSH qualification. The British Safety Council (BSC) International Certificate in Health and Safety is an internationally recognised health and safety level 3 qualification and is regarded as one of the premium HS certificate level qualifications globally. The qualification serves to standardise our HSE thinking and competency. The programme is divided into two units (unit A: Principles of Health and safety Management and Unit B: Controlling Hazards in the Workplace).
Statement of directors’ responsibility
for the year ended 31 December 2015

The Group’s directors are required by the Botswana Companies Act, 2003 to maintain adequate accounting records and to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the Company and Group at the end of the financial year and of the results and cash flows for the period. In preparing the accompanying Company and Group financial statements, International Financial Reporting Standards have been followed; suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Any changes in accounting policies are approved by the board of directors and effects thereof are fully explained in the financial statements. The financial statements incorporate full and responsible disclosure in line with the significant accounting policies of the Group noted on page 53 to 63.

The directors have reviewed the Company and Group budget and forecast cash flow for the year to December 2016. On the basis of this review, and in light of the current financial position, the directors are satisfied that G4S (Botswana) Limited is a going concern and have continued to adopt a going concern basis in preparing the financial statements.

The board recognises and acknowledges its responsibility for the Group’s internal control system. The responsibility for operating these systems is delegated to the executive director and management, who have confirmed that they have reviewed the effectiveness thereof. The directors consider that the systems are appropriately designed to provide reasonable assurance, as to the reliability of financial statements and that assets are safeguarded against material loss or unauthorised use and that transactions are properly authorised and recorded.

The effectiveness of the internal control system is monitored through management reviews, testing by internal auditors and the external auditors’ review and testing of appropriate aspects of the internal control systems during the course of their statutory examination of the Company and Group.

The Group and Company’s directors have considered the results of these reviews, none of which indicate that the systems of internal control were inappropriate or operated unsatisfactorily. Additionally, no breakdowns involving material loss have been reported to the directors in respect of the year under review.

Approval of consolidated annual financial statements and annual financial statements

The annual financial statements for the year ended 31 December 2015 and which appear on page 48 to 94 were authorised for issue by the Board of Directors on 16 March 2016 and signed on their behalf by:

[Signatures]
Chairman
Director
Independent Auditor’s Report to the members of G4S Botswana (Botswana) Limited

We have audited the Group annual financial statements of G4S (Botswana) Limited, which comprise the consolidated and separate statements of financial position as at 31 December 2015, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 48 to 94.

Directors’ Responsibility for the Financial Statements

The directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of G4S (Botswana) Limited as at 31 December 2015, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.
## Statements of Comprehensive Income

**for the year ended 31 December 2015**

<table>
<thead>
<tr>
<th></th>
<th>GROUP</th>
<th></th>
<th>COMPANY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>1</td>
<td>207 985 128</td>
<td>200 439 612</td>
<td>192 170 697</td>
</tr>
<tr>
<td><strong>Cost of sales of goods</strong></td>
<td>(10 300 870)</td>
<td>(9 457 225)</td>
<td>(8 775 039)</td>
<td>(7 828 232)</td>
</tr>
<tr>
<td><strong>Cost of providing services</strong></td>
<td>(120 789 054)</td>
<td>(112 635 526)</td>
<td>(109 734 940)</td>
<td>(103 229 830)</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>76 895 204</td>
<td>78 346 861</td>
<td>73 660 718</td>
<td>74 021 179</td>
</tr>
<tr>
<td><strong>Administrative expenses</strong></td>
<td>(41 029 812)</td>
<td>(45 952 352)</td>
<td>(38 969 332)</td>
<td>(43 360 140)</td>
</tr>
<tr>
<td><strong>Other (expenses)/income</strong></td>
<td>(154 776)</td>
<td>2 035 585</td>
<td>349 208</td>
<td>2 025 104</td>
</tr>
<tr>
<td><strong>Profit from operations</strong></td>
<td>2</td>
<td>35 710 616</td>
<td>34 430 094</td>
<td>35 040 594</td>
</tr>
<tr>
<td><strong>Finance income</strong></td>
<td>5</td>
<td>3 443 924</td>
<td>1 553 075</td>
<td>3 443 020</td>
</tr>
<tr>
<td><strong>Finance expense</strong></td>
<td>4</td>
<td>(35 355)</td>
<td>(33 618)</td>
<td>(35 355)</td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td>6</td>
<td>39 119 185</td>
<td>35 949 551</td>
<td>38 448 259</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>6</td>
<td>(9 565 830)</td>
<td>(7 102 680)</td>
<td>(9 284 829)</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>29 553 355</td>
<td>28 846 871</td>
<td>29 163 430</td>
<td>27 506 033</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the period</strong></td>
<td>29 553 355</td>
<td>28 846 871</td>
<td>29 163 430</td>
<td>27 506 033</td>
</tr>
<tr>
<td><strong>Profit attributable to:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Owners of the parent company</strong></td>
<td>29 286 933</td>
<td>28 471 437</td>
<td>29 163 430</td>
<td>27 506 033</td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td>266 422</td>
<td>375 434</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Earnings per share from continuing operations attributable to the ordinary equity holders of the company</strong></td>
<td>7</td>
<td>36.94</td>
<td>36.06</td>
<td>36.45</td>
</tr>
<tr>
<td><strong>Basic and diluted earnings per share (thebe)</strong></td>
<td>8</td>
<td>21.75</td>
<td>21.12</td>
<td>21.75</td>
</tr>
</tbody>
</table>
### Statements of Financial Position

**as at 31 December 2015**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Plant and equipment</td>
<td>18 603 256</td>
<td>18 295 216</td>
<td>20 727 654</td>
<td>17 304 275</td>
<td>17 188 839</td>
<td>19 667 220</td>
</tr>
<tr>
<td>10</td>
<td>Goodwill</td>
<td>18 066 102</td>
<td>18 066 102</td>
<td>18 066 102</td>
<td>9 715 123</td>
<td>9 715 123</td>
<td>9 715 123</td>
</tr>
<tr>
<td>17</td>
<td>Deferred tax asset</td>
<td>450 441</td>
<td>330 518</td>
<td>592 563</td>
<td>547 834</td>
<td>459 066</td>
<td>721 556</td>
</tr>
<tr>
<td>11</td>
<td>Investment in subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7 444 017</td>
<td>7 444 017</td>
<td>7 444 017</td>
</tr>
<tr>
<td></td>
<td>Total assets</td>
<td>37 119 799</td>
<td>36 691 836</td>
<td>39 386 319</td>
<td>35 011 249</td>
<td>34 807 045</td>
<td>37 547 916</td>
</tr>
<tr>
<td></td>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Inventories</td>
<td>4 065 966</td>
<td>4 679 824</td>
<td>3 478 204</td>
<td>3 669 326</td>
<td>4 414 482</td>
<td>3 298 198</td>
</tr>
<tr>
<td>13</td>
<td>Trade and other receivables</td>
<td>23 597 318</td>
<td>22 103 809</td>
<td>22 969 472</td>
<td>21 304 286</td>
<td>19 606 236</td>
<td>21 343 092</td>
</tr>
<tr>
<td>14</td>
<td>Amount due from related parties</td>
<td>39 625 476</td>
<td>26 604 111</td>
<td>2 500 894</td>
<td>40 533 767</td>
<td>27 398 961</td>
<td>3 599 121</td>
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<tr>
<td>15</td>
<td>Taxation refundable</td>
<td>-</td>
<td>-</td>
<td>2 221 513</td>
<td>-</td>
<td>-</td>
<td>2 221 513</td>
</tr>
<tr>
<td>15</td>
<td>Cash and cash equivalents</td>
<td>7 747 495</td>
<td>14 319 890</td>
<td>43 998 985</td>
<td>72 251 550</td>
<td>64 500 207</td>
<td>42 689 929</td>
</tr>
<tr>
<td></td>
<td>Total assets</td>
<td>112 156 054</td>
<td>104 399 470</td>
<td>83 385 304</td>
<td>107 262 799</td>
<td>99 307 252</td>
<td>80 237 845</td>
</tr>
<tr>
<td></td>
<td>Equity &amp; liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Stated capital and premium</td>
<td>1 804 557</td>
<td>1 804 557</td>
<td>1 804 557</td>
<td>1 804 557</td>
<td>1 804 557</td>
<td>1 804 557</td>
</tr>
<tr>
<td>17</td>
<td>Dividend reserve</td>
<td>8 698 000</td>
<td>10 658 000</td>
<td>2 824 000</td>
<td>8 698 000</td>
<td>10 658 000</td>
<td>2 824 000</td>
</tr>
<tr>
<td>18</td>
<td>Retained earnings</td>
<td>70 644 006</td>
<td>58 754 073</td>
<td>47 180 636</td>
<td>68 721 592</td>
<td>56 955 162</td>
<td>46 347 129</td>
</tr>
<tr>
<td>19</td>
<td>Capital and Reserves attributable to Owners of G4S (Botswana) Ltd</td>
<td>81 146 563</td>
<td>71 216 630</td>
<td>51 809 193</td>
<td>79 224 149</td>
<td>69 417 719</td>
<td>50 975 686</td>
</tr>
<tr>
<td>30</td>
<td>Non-controlling interests</td>
<td>1 082 701</td>
<td>1 059 197</td>
<td>683 763</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total equity</td>
<td>82 229 264</td>
<td>72 275 827</td>
<td>52 492 956</td>
<td>79 224 149</td>
<td>69 417 719</td>
<td>50 975 686</td>
</tr>
<tr>
<td></td>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Long term portion of interest bearing borrowings</td>
<td>-</td>
<td>-</td>
<td>283 635</td>
<td>-</td>
<td>-</td>
<td>283 635</td>
</tr>
<tr>
<td>25</td>
<td>Deferred lease obligation</td>
<td>1 329 367</td>
<td>1 167 801</td>
<td>922 879</td>
<td>1 329 367</td>
<td>1 167 801</td>
<td>922 879</td>
</tr>
<tr>
<td></td>
<td>Total non-current liabilities</td>
<td>1 329 367</td>
<td>1 167 801</td>
<td>1 206 514</td>
<td>1 329 367</td>
<td>1 167 801</td>
<td>1 206 514</td>
</tr>
<tr>
<td></td>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Trade and other payables</td>
<td>25 785 302</td>
<td>23 812 917</td>
<td>27 196 724</td>
<td>23 859 734</td>
<td>21 811 748</td>
<td>25 586 041</td>
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<tr>
<td>21</td>
<td>Current tax liability</td>
<td>602 454</td>
<td>6 098 047</td>
<td>78 762</td>
<td>639 882</td>
<td>5 865 106</td>
<td>-</td>
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<tr>
<td>18</td>
<td>Interest bearing borrowings</td>
<td>-</td>
<td>256 728</td>
<td>707 726</td>
<td>-</td>
<td>256 728</td>
<td>707 726</td>
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<tr>
<td>25</td>
<td>Short term portion of deferred lease obligation</td>
<td>8 204</td>
<td>28 324</td>
<td>10 764</td>
<td>8 204</td>
<td>28 324</td>
<td>10 764</td>
</tr>
<tr>
<td>20</td>
<td>Amounts due to related parties</td>
<td>2 201 463</td>
<td>759 826</td>
<td>1 691 948</td>
<td>2 201 463</td>
<td>759 826</td>
<td>1 751 114</td>
</tr>
<tr>
<td></td>
<td>Total current liabilities</td>
<td>28 597 423</td>
<td>30 955 842</td>
<td>29 685 834</td>
<td>26 709 283</td>
<td>28 721 732</td>
<td>28 055 645</td>
</tr>
<tr>
<td></td>
<td>Total equity and liabilities</td>
<td>112 156 054</td>
<td>104 399 470</td>
<td>83 385 304</td>
<td>107 262 799</td>
<td>99 307 252</td>
<td>80 237 845</td>
</tr>
</tbody>
</table>
**Statements of Changes in Equity**

*for the year ended 31 December 2015*

**GROUP**

<table>
<thead>
<tr>
<th></th>
<th>Stated capital and premium</th>
<th>Dividend reserve</th>
<th>Retained earnings</th>
<th>Total</th>
<th>Non-controlling interests</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula (1 804 557)</td>
<td>Pula (2 824 000)</td>
<td>Pula (46 950 030)</td>
<td>Pula (51 578 587)</td>
<td>Pula (1 211 825)</td>
<td>Pula (52 790 412)</td>
</tr>
<tr>
<td>Balance at 1 January 2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment</td>
<td>-</td>
<td>-</td>
<td>230 606</td>
<td>230 606</td>
<td>(528 062)</td>
<td>(297 456)</td>
</tr>
<tr>
<td>Restated total equity at the beginning of the financial year</td>
<td>1 804 557</td>
<td>2 824 000</td>
<td>47 180 636</td>
<td>51 809 193</td>
<td>683 763</td>
<td>52 492 956</td>
</tr>
<tr>
<td>Profit for the period (Restated)</td>
<td>-</td>
<td>-</td>
<td>28 471 437</td>
<td>28 471 437</td>
<td>375 434</td>
<td>28 846 871</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>-</td>
<td>-</td>
<td>28 471 437</td>
<td>28 471 437</td>
<td>375 434</td>
<td>28 846 871</td>
</tr>
<tr>
<td>Transactions with owners in their capacity as owners:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>- (2 824 000)</td>
<td>(6 240 000)</td>
<td>(9 064 000)</td>
<td>-</td>
<td>(9 064 000)</td>
<td></td>
</tr>
<tr>
<td>Dividends proposed</td>
<td>- 10 658 000</td>
<td>(10 658 000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Balance at 31 December 2014</td>
<td>1 804 557</td>
<td>10 658 000</td>
<td>58 754 073</td>
<td>71 216 630</td>
<td>1 059 197</td>
<td>72 275 827</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>-</td>
<td>-</td>
<td>29 286 933</td>
<td>29 286 933</td>
<td>266 422</td>
<td>29 553 355</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>-</td>
<td>-</td>
<td>29 286 933</td>
<td>29 286 933</td>
<td>266 422</td>
<td>29 553 355</td>
</tr>
<tr>
<td>Transactions with owners in their capacity as owners:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>- (10 658 000)</td>
<td>(8 699 000)</td>
<td>(19 357 000)</td>
<td>(242 918)</td>
<td>(19 599 918)</td>
<td></td>
</tr>
<tr>
<td>Dividends proposed</td>
<td>- 8 698 000</td>
<td>(8 698 000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Balance at 31 December 2015</td>
<td>1 804 557</td>
<td>8 698 000</td>
<td>70 644 006</td>
<td>81 146 563</td>
<td>1 082 701</td>
<td>82 229 264</td>
</tr>
</tbody>
</table>
# Statements of Changes in Equity

**for the year ended 31 December 2015**

## COMPANY

<table>
<thead>
<tr>
<th></th>
<th>Stated capital and premium</th>
<th>Dividend reserve</th>
<th>Retained earnings</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td><strong>Balance at 1 January 2014</strong></td>
<td>1 804 557</td>
<td>2 824 000</td>
<td>46 644 582</td>
<td>51 273 139</td>
</tr>
<tr>
<td><strong>Adjustment</strong></td>
<td>-</td>
<td>-</td>
<td>(297 453)</td>
<td>(297 453)</td>
</tr>
<tr>
<td><strong>Restated total equity at the beginning of the financial year</strong></td>
<td>1 804 557</td>
<td>2 824 000</td>
<td>46 347 129</td>
<td>50 975 686</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>-</td>
<td>-</td>
<td>27 506 033</td>
<td>27 506 033</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the period</strong></td>
<td>-</td>
<td>-</td>
<td>27 506 033</td>
<td>27 506 033</td>
</tr>
<tr>
<td><strong>Transactions with owners in their capacity as owners:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dividends paid</strong></td>
<td>-</td>
<td>(2 824 000)</td>
<td>(6 240 000)</td>
<td>(9 064 000)</td>
</tr>
<tr>
<td><strong>Dividends proposed</strong></td>
<td>-</td>
<td>10 658 000</td>
<td>(10 658 000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2014</strong></td>
<td>1 804 557</td>
<td>10 658 000</td>
<td>56 955 162</td>
<td>69 417 719</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>-</td>
<td>-</td>
<td>29 163 430</td>
<td>29 163 430</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the period</strong></td>
<td>-</td>
<td>-</td>
<td>29 163 430</td>
<td>29 163 430</td>
</tr>
<tr>
<td><strong>Transactions with owners in their capacity as owners:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dividends paid</strong></td>
<td>-</td>
<td>(10 658 000)</td>
<td>(8 699 000)</td>
<td>(19 357 000)</td>
</tr>
<tr>
<td><strong>Dividends proposed</strong></td>
<td>-</td>
<td>8 698 000</td>
<td>(8 698 000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2015</strong></td>
<td>1 804 557</td>
<td>8 698 000</td>
<td>68 721 592</td>
<td>79 224 149</td>
</tr>
</tbody>
</table>
## Statements of Cash Flows
for the year ended 31 December 2015

<table>
<thead>
<tr>
<th>Cash inflow from operating activities</th>
<th>GROUP 2015</th>
<th>COMPANY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes 23</td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>Cash inflow from operating activities</td>
<td>47 571 614</td>
<td>40 234 002</td>
</tr>
<tr>
<td>Interest paid</td>
<td>35 355</td>
<td>33 618</td>
</tr>
<tr>
<td>Income taxes (paid)/ refunded</td>
<td>(14 936 086)</td>
<td>1 400 253</td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td>32 670 883</td>
<td>41 667 873</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received</td>
</tr>
<tr>
<td>Loans to related parties</td>
</tr>
<tr>
<td>Payments for plant and equipment</td>
</tr>
<tr>
<td>Proceeds on disposal of plant and equipment</td>
</tr>
<tr>
<td>Net cash (outflow) from investing activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from financing activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest paid</td>
</tr>
<tr>
<td>Dividends paid</td>
</tr>
<tr>
<td>Capital repayments of interest bearing borrowings</td>
</tr>
<tr>
<td>Net cash (outflow) from financing activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net (decrease)/increase in cash and cash equivalents</th>
</tr>
</thead>
<tbody>
<tr>
<td>(6 572 395)</td>
</tr>
<tr>
<td>(6 336 357)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalents at beginning of the financial year</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 14 319 890</td>
</tr>
<tr>
<td>13 080 528</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalents at end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 7 747 495</td>
</tr>
<tr>
<td>6 744 171</td>
</tr>
</tbody>
</table>
Summary of significant accounting policies
for the year ended 31 December 2015

GENERAL INFORMATION
G4S (Botswana) Limited is a public limited company registered under the Companies Act, 2003 of Botswana and domiciled in Botswana. G4S (Botswana) is listed on the Botswana Stock Exchange and primarily operates in Botswana.

These financial statements represent its statutory financial statements. The consolidated financial statements of the company comprise the company and its subsidiary (together referred to as the ‘Group’).

PRINCIPAL ACCOUNTING POLICIES
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, and are unchanged from those applied in previous periods, unless noted otherwise.

These financial statements have been approved by the board of directors on 16 March 2016.

BASIS OF PREPARATION
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention, as modified by the valuation of certain financial assets and financial liabilities at fair.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group’s financial statements are disclosed in the “Critical accounting estimates and judgements” section of the financial statements.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

SUBSIDIARIES
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group annual financial statements incorporate the results and financial position of company and all subsidiaries, currently only G4S Facilities Management Botswana (Pty) Ltd. The results of subsidiaries are included from the effective dates of gaining control and up to the date of relinquishing control.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

FOREIGN CURRENCY TRANSLATION
Functional and presentation currency
Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The consolidated financial statements are presented in Botswana Pula currency units which is G4S (Botswana) Ltd.’s functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.
Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

Both Group and company including subsidiary utilise the Botswana Pula as the functional currency.

REVENUE

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group’s activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The specific accounting policies for the group’s main types of revenue are explained below:

Sale of goods
Timing of recognition: The group operates a technical department that provides installation of intruder and fire alarm equipment, CCTV and access control. Revenue from sale of goods is recognised when the group entity sells the equipment to the customer:

The group also operates a cash business and a cleaning business that provide services which require use other goods e.g., CIT bags, seals and cleaning material. Revenue from sale of goods is recognised when the group entity sells the consumables to the customer.

Measurement of revenue: It is group’s policy to sell its products to the end customer. The revenue on goods is based on cost plus mark up.

Revenue from rendering of services
Timing of recognition: The group provides the following services;
Cash in transit, intruder and fire alarm monitoring, guarding services, facilities management and cleaning services. Revenue from all services is recognised in the accounting period in which the services are rendered.

Measurement of revenue: The revenue is measured at the amount receivable under the contract. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Assets held under finance leases are recognised as assets at the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Minimum lease payments made under finance leases are apportioned between finance expense and the reduction of the outstanding liability.

Finance expenses are recognised in profit or loss over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance of the obligations for each accounting period.

Rentals payable under operating leases are recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Lease income from operating leases where the Group is a lessor is recognised in income on straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.
DIVIDENDS

Dividend income
Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

Dividend liability
Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

PLANT AND EQUIPMENT

Plant and equipment are stated at historical cost less depreciation and impairment in value. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Depreciation
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of plant and equipment. The estimated useful lives are as follows:

- Leasehold improvements 5 - 15 years
- Furniture, fittings and equipment 5 - 10 years
- Motor vehicles and accessories 5 years
- Radio and alarm equipment 2 - 10 years
- Uniforms 22 months

The residual values of plant and equipment items, if not insignificant, are reassessed annually. The useful lives are reassessed annually.

Repairs and maintenance costs are recognised in profit or loss during the financial year in which these costs are incurred.

Gains and losses on disposal of plant and equipment, which arise in the normal course of business, are determined by comparing the proceeds with the carrying amounts and are included in profit or loss.

INTANGIBLE ASSETS

Goodwill
Goodwill represents amounts arising on acquisition of a business. The goodwill consists of the difference between the fair value of the consideration transferred to acquire the business and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to the individual cash-generating units and is tested annually for impairment. An impairment loss is recognised if the present value of the estimated future cash flows arising from the identified units is exceeded by the carrying amount of goodwill. An impairment loss is recognised in profit or loss in the year in which it is identified.

FINANCIAL ASSETS

Classification
The Group classifies its financial assets in the following categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

Reclassification
The Group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.
Summary of significant accounting policies

for the year ended 31 December 2015

FINANCIAL ASSETS

Recognition
The Group initially recognises financial assets and liabilities on the date that they are originated or on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

De-recognition
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or which the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

In transfers where control over the asset is retained and some, but not substantially all, of the risks and rewards have transferred, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Offsetting
Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Amortised cost measurement
The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment (in the case of assets).

FINANCIAL LIABILITIES

The Group only has financial liabilities that are classified as ‘financial liabilities at amortised cost’, which excludes VAT and employee related accruals.

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payment through the expected life of the financial liability, or where appropriate, a shorter period.

IMPAIRMENT

Financial assets:
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of the financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. The reversal of the impairment loss is recognised in profit or loss.

Non-financial assets:
The carrying values of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. Impairment losses are recognised in profit or loss.
The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Impairment losses recognised in the prior periods are assessed at each reporting date for any indication that these losses have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined net of depreciation and amortisation, if no impairment was recognised.

**INVENTORIES**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their estimated net realisable values.

**TRADE RECEIVABLES**

Trade receivables are amounts due from customers for goods provided in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments are considered indicators that a trade receivable is impaired.

The amount of the impairment allowance of trade receivables is the difference between the asset’s carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount is recognised in profit or loss ‘operating expenses’. The carrying amount of the asset is reduced through the use of an allowance account. When trade receivables are uncollectable, it is written off as ‘operating expenses’ in profit or loss. Subsequent recoveries of amounts previously written off are credited against ‘operating expenses’ in profit or loss.

**OTHER RECEIVABLES**

Other receivables comprise deposits and other receivables which arise during the normal course of business. These are classified as loans and receivables and are initially measured at fair value plus incremental direct transaction costs, and are subsequently measured at their amortised cost using the effective interest method.

**CASH AND CASH EQUIVALENTS**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**STATED CAPITAL**

Ordinary shares are classified as equity and stated at the fair value of the consideration received. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.
Summary of significant accounting policies [Continued]
for the year ended 31 December 2015

AMOUNTS DUE FROM RELATED PARTIES AND SHAREHOLDERS
The amounts due from related parties and shareholders are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses. Impairment losses are recognised in profit or loss when the collection of the full amount is no longer probable.

BORROWINGS
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

TRADE AND OTHER PAYABLES
These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

INCOME TAX
Taxation on the profit or loss for the year comprises current and deferred taxation. Taxation is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the related taxation is also recognised in other comprehensive income or equity. Current taxation is the expected taxation payable on the taxable income for the year using taxation rates enacted or substantively enacted at the reporting date after taking account of income and expenditure which is not subject to taxation and any adjustment to taxation for previous years.

Deferred taxation is provided on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their taxation base. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using taxation rates enacted or substantively enacted at the reporting date.

Deferred tax is not recognised for:
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries to the extent that the group is able to control the timing of the reversal of the temporary
INCOME TAX  [Continued]

differences and it is probable that they will not reverse in the foreseeable future; and
• Taxable temporary differences arising on the initial recognition of goodwill.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused taxation losses and deductible temporary differences can be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the related taxation benefit will be realised.

EMPLOYEE BENEFITS

Pension obligations
The Group established a defined contribution pension scheme in July 2009, managed by Alexander Forbes Financial Services Botswana (Pty) Limited, a privately administered pension insurance plan, for all citizen employees. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A gratuity scheme is in place for expatriate employees in terms of their employment contracts.

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value. Contract staffs are paid terminal gratuities in accordance with their respective employment contract.

Other benefits
(i) Severance payments and gratuities
In terms of the Labour Law legislation, severance pay is due to employees who are not eligible for gratuities or with respect to whom no contributions are made to the pension scheme. Provision for severance and gratuity benefits are raised in the period in which they accrue.

(ii) Leave pay
The costs of paid leave is recognised as an expense as the employee renders services that increases the entitlement or, in the case of non-accumulating absence, when absence occurs.

(iii) Medical aid
In terms of the employment contracts and the rules of relevant medical aid scheme, medical benefits are provided to employees. The Group subsidises a portion of medical aid contribution for certain employees. Contributions in relation to Group’s obligations in respect of these benefits are charged against profit or loss in the period of payment.

There are no post-retirement medical funding requirements.

PROVISIONS
Provisions for general expenditure such as utilities, and payroll related accruals such as leave and severance are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

EARNINGS PER SHARE
The Group presents basic and diluted earnings per share (EPS) information for its ordinary shares. Basic EPS is calculated by dividing the profit for the year attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.
Summary of significant accounting policies [Continued]
for the year ended 31 December 2015

EARNINGS PER SHARE [Continued]

Diluted EPS is determined by adjusting the profit or loss after taxation attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which may comprise convertible notes and share options granted to employees.

ROUNDING OFF AMOUNTS
All amounts disclosed in the financial statements and notes have been rounded off to the nearest Pula unless otherwise stated.

SEGMENT REPORTING
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed regularly by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance, for which discrete financial information is available.

FINANCE EXPENSE AND INTEREST RECEIVED
Interest received is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount. Interest received is recognised in profit or loss.

Finance expense is recognised in profit or loss in the period in which these expenses are incurred using the effective interest rate method.

NEW STANDARDS EFFECTIVE IN THE CURRENT FINANCIAL YEAR
The following standards and amendments have been effective in the current financial year, which had no material impact on the Group’s financial statements.

Amendment to IAS 19: ‘Employee benefits’
These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Amendments to IAS 32 Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities:
The amendments clarified when an entity can offset financial assets and financial liabilities. These amendments had no impact on the Group’s financial statements.

Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27):
These amendments clarified that a qualifying investment entity is required to account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit or loss; the only exception would be subsidiaries that are considered an extension of the investment entity’s investment activities. The consolidation exemption is mandatory and not optional. These amendments had no impact on the Group’s financial statements.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36):
The amendments reverse the unintended requirement in IFRS 13 Fair Value Measurement to disclose the recoverable amount of any cash generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, the recoverable amount is required to be disclosed only when an impairment loss has been recognised or reversed. These amendments had no impact on the Group’s financial statements.

IFRIC 21 Levies:
Levies have become more common in recent years, with governments in a number of jurisdictions introducing levies to raise additional income. Current practice on how to account for these levies is mixed. IFRIC 21 provides guidance on accounting for levies in accordance with IAS 37 Provisions, Contingent Liabilities and Assets. This interpretation had no impact on the Group’s financial statements.

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39):
IFRS 39 Financial Instruments: Recognition and Measurement requires an entity to discontinue hedge accounting if the derivative hedging instrument is novated to a clearing counterparty, unless the hedging instrument is being replaced as part of the Group’s original documented hedging strategy.

The amendments added a limited exception to IAS 39, to provide relief from discounting an existing hedging relationship, when a novation was not contemplated in the original hedging documentation meets specific criteria. These amendments had no impact on the Group’s financial statements.
NEW STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE IN THE CURRENT FINANCIAL YEAR

The following standards and interpretations are effective on or after 01 January 2016 and not early adopted by the Group.

IFRS 9 Financial instruments
On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB’s project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have a significant impact on the Group, which will include changes in the measurement bases of the Group’s financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an “incurred loss” model from IAS 39 to an “expected credit loss” model, which is expected to increase the provision for bad debts recognised in the Group.

The standard is effective for annual periods beginning on or after 01 January 2018 with retrospective application, early adoption is permitted, and may have an impact on the classification of financial assets and liabilities in the Group’s statement of financial position.

Management is currently assessing the impact of the accounting standard on the Group’s financial statements.

IFRS 15: Revenue from contracts with customers
This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The standard, which becomes effective for the Group’s 2016 financial statements, with early adoption permitted, is currently being evaluated by the Group. The evaluation will be completed and the standard implemented by the effective date. The standard is however not expected to have a significant impact on its financial statements, due to the nature of its revenue transactions.

Amendments to IAS 1: Disclosure Initiative
The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements.

The amendments apply for annual periods beginning on, or after 01 January 2016 and early application is permitted. These amendments, which become effective for the Group’s 2016 financial statements, are not expected to have a significant impact on its financial statements.

The following standards and interpretations were issued but not yet effective in the current financial year and they are not expected to have any impact in the Group’s financial statements.

Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations
The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. Business combination accounting also applies to the acquisition of additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value. The previously held interest in the joint operation will not be re-measured.

These amendments will become effective for the Group’s 2016 financial statements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
The amendments to IAS 16 Property, Plant and Equipment explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment.

The amendments to IAS 38 Intangible Assets introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. The presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are ‘highly correlated’, or when the intangible asset is expressed as a measure of revenue.

These amendments will become effective for the Group’s 2016 financial statements.
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a ‘business’ under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors’ interests in the associate or joint venture is recognised.

The definition of a business is key to determining the extent of the gain to be recognised.

These amendments have been postponed from its initial effective date of 1 January 2016.

The amendment to IFRS 12 Disclosure of Interests in Other Entities requires an entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss in accordance with IFRS 10 to make disclosures required by IFRS 12 relating to investment entities.

Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities - Applying the Consolidation Exception

The amendment to IFRS 10 Consolidated Financial Statements clarifies which subsidiaries of an investment entity are consolidated instead of being measured at fair value through profit and loss. The amendment also modifies the condition in the general consolidation exemption that requires an entity’s parent or ultimate parent to prepare consolidated financial statements.

These amendments will become effective for the Group’s 2016 financial statements.

Amendment to IAS 12: Income taxes

The amendments were issued to clarify the requirements for recognising deferred tax assets on unrealised losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset’s tax base. They also clarify certain other aspects of accounting for deferred tax assets.

The amendments clarify the existing guidance under IAS 12. They do not change the underlying principles for the recognition of deferred tax assets. These amendments will become effective for the Group’s 2017 financial statements.

Amendment to IAS 7 – Cash flow statements

In January 2016, the International Accounting Standards Board (IASB) issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendment responds to requests from investors for information that helps them better understand changes in an entity’s debt. The amendment will affect every entity preparing IFRS financial statements. However, the information required should be readily available. Preparers should consider how best to present the additional information to explain the changes in liabilities arising from financing activities.

These amendments will become effective for the Group’s 2017 financial statements.
IFRS 16 – Leases

After ten years of joint drafting by the IASB and FASB they decided that lessees should be required to recognise assets and liabilities arising from all leases (with limited exceptions) on the balance sheet. Lessor accounting has not substantially changed in the new standard.

The model reflects that, at the start of a lease, the lessee obtains the right to use an asset for a period of time and has an obligation to pay for that right. In response to concerns expressed about the cost and complexity to apply the requirements to large volumes of small assets, the IASB decided not to require a lessee to recognise assets and liabilities for short-term leases (less than 12 months), and leases for which the underlying asset is of low value (such as laptops and office furniture).

A lessee measures lease liabilities at the present value of future lease payments. A lessee measures lease assets, initially at the same amount as lease liabilities, and also includes costs directly related to entering into the lease. Lease assets are amortised in a similar way to other assets such as property, plant and equipment. This approach will result in a more faithful representation of a lessee’s assets and liabilities and, together with enhanced disclosures, will provide greater transparency of a lessee’s financial leverage and capital employed.

One of the implications of the new standard is that there will be a change to key financial ratios derived from a lessee’s assets and liabilities (for example, leverage and performance ratios).


These amendments will become effective for the Group’s 2019 financial statements.

Management is currently assessing the impact of the new standards and interpretations not yet effective in the current financial year on the Group’s financial statements.
Overview
The Group has exposure to interest rate, liquidity, currency and credit risk that arises in the normal course of business. This note presents information about the Group’s exposure to each of the above risks the Group’s objectives, policies and processes for measuring and managing these risks and the Group’s management of capital. Further quantitative disclosures are included.

The Board of Directors has overall responsibility for the establishment and oversight of the Group’s risk management framework.

The Group’s risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities.

The Board of Directors oversees how management monitors compliance with the Group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The following table indicates the carrying value of financial instruments which approximate the fair values as they are subject to an insignificant change in value are recoverable within a short period of time (normally less than two years).

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>GROUP</th>
<th>COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>22,049,256</td>
<td>18,991,603</td>
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<tr>
<td>Other receivables</td>
<td>1,000,890</td>
<td>2,707,506</td>
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<tr>
<td>Amounts due from related parties</td>
<td>39,625,476</td>
<td>26,604,111</td>
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<tr>
<td>Cash and cash equivalents</td>
<td>7,747,495</td>
<td>14,319,890</td>
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<td><strong>Total financial assets</strong></td>
<td><strong>70,423,117</strong></td>
<td><strong>62,623,110</strong></td>
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<table>
<thead>
<tr>
<th>Financial liabilities</th>
<th>GROUP</th>
<th>COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>8,300,676</td>
<td>7,832,658</td>
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<tr>
<td>Other payables &amp; accruals</td>
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<td>Interest bearing borrowings</td>
<td>-</td>
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<tr>
<td>Amounts due to related parties</td>
<td>2,201,463</td>
<td>759,826</td>
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<tr>
<td><strong>Total financial liabilities</strong></td>
<td><strong>16,563,110</strong></td>
<td><strong>15,662,918</strong></td>
</tr>
</tbody>
</table>

Financial risk management
for the year ended 31 December 2015
Financial risk management [continued]
for the year ended 31 December 2015

Foreign currency risk
The Group is exposed to currency risk (mainly South Africa Rand: Pula) through its purchases from South Africa. The Group’s total liabilities payable to South African suppliers at the reporting date were R2 362 830: P1 771 792 (2014: R1 934 146: P1 589 404).

<table>
<thead>
<tr>
<th>Year-end translation rate (ZAR / BWP)</th>
<th>2015</th>
<th>2014</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>1.333582</td>
<td>1.216900</td>
</tr>
</tbody>
</table>

A 10 percent strengthening of the Botswana Pula against the South African Rand at the reporting date would have increased the company’s profit before taxation by P161 072 (2014: P144 491). This analysis assumes that all other variables, in particular interest rates remain constant. A 10 percent weakening of the Botswana Pula against the South African Rand at the reporting date would have had the equal but opposite effect on the company’s profit before taxation, based on the assumption that all other variables, in particular interest rates remain constant.

<table>
<thead>
<tr>
<th>ZAR/BWP exchange rate – increase 10%</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(161 072)</td>
<td>(144 491)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ZAR/BWP exchange rate – decrease 10%</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>161 072</td>
<td>144 491</td>
</tr>
</tbody>
</table>

Interest rate risk
Financial instruments which are sensitive to interest rate risk comprise of cash and cash equivalents, amounts due from related parties and interest bearing borrowings. Interest rates applicable to these instruments fluctuate with movements in the Botswana prime interest rate and are comparable with rates currently available in the market.

Instruments subject to interest rate risk are analysed as follows:

<table>
<thead>
<tr>
<th>Variable rate instruments</th>
<th>GROUP 2015</th>
<th>COMPANY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (note 15)</td>
<td>7 747 495</td>
<td>6 744 171</td>
</tr>
<tr>
<td>Amount due from related parties (note 14)</td>
<td>39 625 476</td>
<td>40 533 767</td>
</tr>
<tr>
<td>Interest bearing borrowings (note 18)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The Group does not account for any fixed rate instruments at fair value through profit or loss and the Group does not designate derivatives as hedging instruments under fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.
Financial risk management [continued]

for the year ended 31 December 2015

Interest rate risk [continued]

With average interest rates for cash and cash equivalents at 4.1% per annum (2014: 4.1% per annum), amount due from related party at 12.2% per annum (2014: 12.2%) and interest bearing borrowings at 6% (2014: 7.5% per annum) a change of 50 basis points in interest rates during the reporting period would have (decreased) / increased the company’s profit before taxation as follows:

### Increase of 50 basis points:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable rate instruments</td>
<td>184 755</td>
<td>158 602</td>
<td>184 384</td>
<td>156 869</td>
</tr>
</tbody>
</table>

### Decrease of 50 basis points:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable rate instruments</td>
<td>(188 297)</td>
<td>(158 602)</td>
<td>(184 384)</td>
<td>(156 869)</td>
</tr>
</tbody>
</table>

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group’s trade and other receivables, amounts due from related parties and its investments in cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure and is summarised as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>Not rated</td>
<td>22 049 256</td>
<td>18 991 603</td>
<td>19 792 127</td>
</tr>
<tr>
<td>Other receivables</td>
<td>Not rated</td>
<td>1 000 890</td>
<td>2 707 506</td>
<td>974 658</td>
</tr>
<tr>
<td>Amounts due from related parties</td>
<td>Not rated</td>
<td>39 625 476</td>
<td>26 604 111</td>
<td>40 533 767</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>Not rated</td>
<td>7 747 495</td>
<td>14 319 890</td>
<td>6 744 171</td>
</tr>
</tbody>
</table>

70 423 117 | 62 623 110 | 68 044 723 | 59 683 841
Financial risk management [continued]

for the year ended 31 December 2015

Credit risk [continued]

The below table shows an age analysis of gross trade receivables at their carrying value respectively as at the balance sheet date:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully performing</td>
<td>14 914 268</td>
<td>14 491 713</td>
<td>13 277 470</td>
<td>12 893 770</td>
</tr>
<tr>
<td>Past due not impaired</td>
<td>6 707 315</td>
<td>3 489 316</td>
<td>6 110 172</td>
<td>2 637 726</td>
</tr>
<tr>
<td>Impaired</td>
<td>3 991 615</td>
<td>9 432 026</td>
<td>3 775 192</td>
<td>9 128 516</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>25 613 198</strong></td>
<td><strong>27 413 055</strong></td>
<td><strong>23 162 834</strong></td>
<td><strong>24 660 012</strong></td>
</tr>
</tbody>
</table>

The Board of Directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group’s standard payment and conditions are offered. The Group has no significant concentration of credit risk included in trade receivables with exposure spread over a large number of customers and counterparties. The Group however has a concentration risk in relation to the balance due from G4S Plc. of P39 469 243 (2014: P26 034 214). Geographically trade receivables are concentrated in Botswana. No impairment accrual was recognised in respect of balances receivable from related companies as these are payable on demand and covered through the group treasury function.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The main component of this allowance is a specific loss component which relates to balances outstanding for more than 180 days since invoice date.

The credit risk on liquid funds is limited as the counterparties are reputable regulated international banks. No independent credit ratings are available for domestic banks. The Group however only transact with banks that are reputable and affiliated to large well known global or regional banks.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully performing</td>
<td>14 914 268</td>
<td>14 491 713</td>
<td>13 277 470</td>
<td>12 893 770</td>
</tr>
<tr>
<td>Past due 31 - 90 days</td>
<td>4 118 406</td>
<td>2 707 591</td>
<td>3 807 262</td>
<td>2 268 524</td>
</tr>
<tr>
<td>Past due 90-180 days</td>
<td>2 588 909</td>
<td>781 725</td>
<td>2 302 910</td>
<td>369 202</td>
</tr>
<tr>
<td>Past due more than 180 days</td>
<td>3 991 615</td>
<td>4 322 026</td>
<td>3 775 192</td>
<td>9 128 516</td>
</tr>
<tr>
<td><strong>Total gross trade receivables</strong></td>
<td><strong>25 613 198</strong></td>
<td><strong>27 413 055</strong></td>
<td><strong>23 162 834</strong></td>
<td><strong>24 660 012</strong></td>
</tr>
</tbody>
</table>

Less Impairment on receivables:

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015 Pula</th>
<th>COMPANY 2015 Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impaired receivables</td>
<td>(3 991 615)</td>
<td>(9 432 026)</td>
</tr>
<tr>
<td>VAT on impaired receivables</td>
<td>427 673</td>
<td>1 010 574</td>
</tr>
<tr>
<td><strong>Net impaired receivables</strong></td>
<td><strong>(3 563 942)</strong></td>
<td><strong>(8 421 452)</strong></td>
</tr>
</tbody>
</table>

Net trade receivables

22 049 256

18 991 603

19 792 127

16 509 551

The impairment accrual consists of all impaired gross trade receivables net off the value added tax (VAT) of 12% charged on the trade receivables. No impairment is recognised in terms of balances not exceeding 180 days from invoice date as these balances are deemed recoverable based on historic loss ratios and detailed specific balance analysis.
Financial risk management [continued]
for the year ended 31 December 2015

Credit risk [continued]

<table>
<thead>
<tr>
<th>Movement in impairment allowance</th>
<th>GROUP 2015</th>
<th>COMPANY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>At beginning of the year</td>
<td>8 421 452</td>
<td>7 362 805</td>
</tr>
<tr>
<td>Impairment (reversal)/additional recognised during the year</td>
<td>(1 164 430)</td>
<td>1 058 647</td>
</tr>
<tr>
<td>Write off recognised during the year</td>
<td>(3 693 080)</td>
<td>-</td>
</tr>
<tr>
<td>At the end of year</td>
<td>3 563 942</td>
<td>8 421 452</td>
</tr>
</tbody>
</table>

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group’s approach to managing its liquidity risk is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group’s reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group utilises overdraft facilities and funds placed in call accounts as well as with G4S Plc to ensure that liquidity risk is managed appropriately. Management monitors rolling forecasts of the Group’s liquidity reserve (comprising amounts due from G4S Plc) and cash and cash equivalents on the basis of expected cashflow. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by the Group.
Financial risk management [continued]

for the year ended 31 December 2015

Maturities of financial liabilities
The maturity profile of non-derivative financial liabilities based on contractual maturities is disclosed in the table below as the contractual undiscounted cash flows. All balances are due within 12 months and equal their carrying balances as the impact of discounting is not significant.

<table>
<thead>
<tr>
<th>GROUP</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Contractual cash flow</td>
<td>Within 1 year</td>
</tr>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(8 300 676)</td>
<td>(8 300 676)</td>
</tr>
<tr>
<td>Amounts due to related parties</td>
<td>(2 201 463)</td>
<td>(2 201 463)</td>
</tr>
<tr>
<td>Other payables</td>
<td>(6 060 971)</td>
<td>(6 060 971)</td>
</tr>
<tr>
<td></td>
<td>(16 563 110)</td>
<td>(16 563 110)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Contractual cash flow</td>
<td>Within 1 year</td>
</tr>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(7 513 878)</td>
<td>(7 513 878)</td>
</tr>
<tr>
<td>Amounts due to related parties</td>
<td>(2 201 463)</td>
<td>(2 201 463)</td>
</tr>
<tr>
<td>Other payables</td>
<td>(5 947 577)</td>
<td>(5 947 577)</td>
</tr>
<tr>
<td></td>
<td>(15 662 918)</td>
<td>(15 662 918)</td>
</tr>
</tbody>
</table>

| Interest bearing borrowings | (268 315) | (268 315) |
| Trade payables             | (7 832 658) | (7 832 658) |
| Amounts due to related parties | (759 826) | (759 826) |
| Other payables             | (7 643 312) | (7 643 312) |
| (16 504 111)                | (16 504 111) |

| Interest bearing borrowings | (268 315) | (268 315) |
| Trade payables             | (6 994 025) | (6 994 025) |
| Amounts due to related parties | (759 826) | (759 826) |
| Other payables             | (7 500 332) | (7 500 332) |
| (15 522 498)                | (15 522 498) |
Financial risk management [continued]
for the year ended 31 December 2015

Capital risk management
Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group consists of long term borrowings, bank overdrafts and equity attributable to equity holders of the parent. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The gearing ratios at 31 December 2015 and 31 December 2014 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>GROUP 2014</th>
<th>COMPANY 2015</th>
<th>COMPANY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>Total borrowings</td>
<td></td>
<td>256 728</td>
<td>-</td>
<td>256 728</td>
</tr>
<tr>
<td>Less: Cash and cash equivalents (note 15)</td>
<td>(7 747 495)</td>
<td>(14 319 890)</td>
<td>(6 744 171)</td>
<td>(13 080 528)</td>
</tr>
<tr>
<td>Net Debt</td>
<td>(7 747 495)</td>
<td>(14 063 162)</td>
<td>(6 744 171)</td>
<td>(12 823 800)</td>
</tr>
<tr>
<td>Total equity</td>
<td>82 229 264</td>
<td>72 275 827</td>
<td>79 224 149</td>
<td>69 417 719</td>
</tr>
<tr>
<td>Total capital</td>
<td>74 481 769</td>
<td>58 212 665</td>
<td>72 479 978</td>
<td>56 593 919</td>
</tr>
<tr>
<td>Gearing ratio</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as discussed below.

Income taxes
Significant judgement is required in determining the Group’s provision for income taxes. There are many transactions and calculations for which the ultimate taxes determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipates tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determination is made.

The Group recognizes the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Useful life and residual values of property, plant and equipment
Property, plant and equipment are depreciated over its useful life taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset useful lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Revision of useful lives of plant and equipment
During the year, the Group revised the useful lives of motor vehicles from 4 years to 5 years. The net effect of the changes in the current financial year was a decrease in depreciation expense by P 698 838. Assuming the assets are held until the end of their estimated useful lives, depreciation in future years in relation to these assets will be increased/(decreased) by the following amounts:

<table>
<thead>
<tr>
<th>Year ending 31 December</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>(512 264)</td>
</tr>
<tr>
<td>2017</td>
<td>(53 500)</td>
</tr>
<tr>
<td>2018</td>
<td>724 804</td>
</tr>
<tr>
<td>2019</td>
<td>440 351</td>
</tr>
</tbody>
</table>

Impairment of assets
The Group follows the guidance of IAS 39 to determine when a financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, the latter being the higher of fair value less cost to sell and the value in use.

Allowance for doubtful debts is created where the customer has not paid an invoice for a period over six months from the date of invoice or where a customer has significant financial difficulties. The Group estimates that under these conditions, the debtor will highly likely not pay the invoice. An estimate is made with regards to the probability of debtors who will not be able to pay.

The Group tests annually whether the goodwill has suffered any impairment, in accordance with the accounting policy stated in note 10. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.
Notes to the financial statements
for the year ended 31 December 2015

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Revenue</strong> (refer to note 28)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of goods</td>
<td>13 672 664</td>
<td>12 337 456</td>
<td>11 689 084</td>
<td>11 602 182</td>
</tr>
<tr>
<td>Rendering of services</td>
<td>194 312 464</td>
<td>188 102 156</td>
<td>180 481 613</td>
<td>173 477 059</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>207 985 128</td>
<td>200 439 612</td>
<td>192 170 697</td>
<td>185 079 241</td>
</tr>
</tbody>
</table>

| **2. Profit from operations** |                |                |                   |                   |
| Profit from operations is arrived at after taking into account the following: |                |                |                   |                   |
| **Other income** |                |                |                   |                   |
| Profit on disposal of motor vehicles and equipment | 617 323       | 646 987        | 579 323           | 639 987           |
| Foreign exchange loss | (944 173)   | (255 151)      | (946 577)         | (258 462)         |
| Other income | 172 074       | 1 643 749      | 716 462           | 1 643 579         |
| **Total other income** | (154 776)    | 2 035 585      | 349 208           | 2 025 104         |

| **Expenditure** |                |                |                   |                   |
| Auditors’ remuneration |                |                |                   |                   |
| Audit fee – for audit services | 585 144      | 474 549        | 526 048           | 440 599           |
| Other services | 130 748       | 130 430        | 88 000            | 96 480            |
| Depreciation (note 9) | 9 592 375   | 11 145 928     | 8 486 162         | 10 774 977        |
| Operating leases – motor vehicles | 4 560 827    | 4 673 818      | 4 462 110         | 4 673 818         |
| Rent for premises – cash payments | 4 956 343   | 4 486 093      | 4 506 304         | 4 031 144         |
| Rent for premises – movement in lease accrual | 141 446     | 262 482        | 141 446           | 262 482           |
| Office repairs and maintenance | 126 075     | 87 599         | 126 075           | 83 150            |
| Royalties – related party | 1 921 701   | 1 850 795      | 1 921 701         | 1 850 795         |
| Inventories expensed | 10 300 870  | 9 394 075      | 8 775 039         | 7 828 232         |
| Other expenses | 36 883 140   | 38 979 511     | 35 920 571        | 37 257 570        |
| **Total expenditure** | 69 198 669   | 71 485 280     | 64 953 456        | 67 299 247        |

| **2.1 Staff costs** |                |                |                   |                   |
| Gross salaries and wages | 100 219 413  | 93 246 511     | 89 854 935        | 83 854 681        |
| Contributions to defined contribution plan | 2 701 654   | 3 313 312      | 2 670 920         | 3 264 274         |
| **Total** | 102 921 067  | 96 559 823     | 92 525 855        | 87 118 955        |

| Number of employees | 3 054   | 2 976   | 2 387   | 2 356   |
### 3. Directors’ emoluments

Directors’ emoluments included in administrative expenses are analysed as follows:

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>COMPANY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-executive directors - fees</td>
<td>213 000</td>
<td>108 000</td>
</tr>
<tr>
<td>Executive directors - remuneration for management services</td>
<td>1 706 466</td>
<td>1 650 971</td>
</tr>
<tr>
<td>Executive directors - pension fund contributions</td>
<td>136 527</td>
<td>157 647</td>
</tr>
<tr>
<td></td>
<td>2 055 993</td>
<td>1 916 618</td>
</tr>
</tbody>
</table>

### 4. Finance expense

Finance lease liabilities

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>COMPANY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td></td>
<td>35 355</td>
<td>33 618</td>
</tr>
</tbody>
</table>

### 5. Finance income

Interest received - banks

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>COMPANY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>Interest received - banks</td>
<td>8 895</td>
<td>19 754</td>
</tr>
<tr>
<td>Interest received - related party</td>
<td>3 435 029</td>
<td>1 533 321</td>
</tr>
<tr>
<td></td>
<td>3 443 924</td>
<td>1 553 075</td>
</tr>
</tbody>
</table>

### 6. Income tax expense

**Taxation charge for the year:**

Normal company taxation:

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>COMPANY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic taxation</td>
<td>9 425 276</td>
<td>7 814 614</td>
</tr>
<tr>
<td>Prior year under/(over) provision</td>
<td>198 624 (973 979)</td>
<td>186 145 (972 863)</td>
</tr>
<tr>
<td>Accrued interest on SAT</td>
<td>61 854</td>
<td>-</td>
</tr>
<tr>
<td>Deferred taxation - current year movement</td>
<td>(119 924)</td>
<td>262 045</td>
</tr>
<tr>
<td></td>
<td>9 565 830</td>
<td>7 102 680</td>
</tr>
</tbody>
</table>

**Taxation reconciliation:**

Taxation at the statutory rate of 22% on the profit before taxation

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>COMPANY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previously recognised deferred tax</td>
<td>622 122</td>
<td>-</td>
</tr>
<tr>
<td>Expenses not allowable for tax purpose</td>
<td>186 951</td>
<td>167 758</td>
</tr>
<tr>
<td>Items allowable for tax purpose</td>
<td>(109 942)</td>
<td>-</td>
</tr>
<tr>
<td>Adjustment for current tax of prior periods</td>
<td>260 478 (973 979)</td>
<td>247 998</td>
</tr>
<tr>
<td></td>
<td>9 565 830</td>
<td>7 102 680</td>
</tr>
</tbody>
</table>

Income tax expense
6. **Income tax expense [continued]**

Reconciliation of the effective and statutory tax rate:

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>COMPANY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>24.5%</td>
<td>19.8%</td>
</tr>
<tr>
<td>Previously unrecognised deferred tax liability</td>
<td>(1.6%)</td>
<td>0.0%</td>
</tr>
<tr>
<td>Expenses not allowable for tax purpose</td>
<td>(0.5%)</td>
<td>(0.5%)</td>
</tr>
<tr>
<td>Items allowable for tax purpose</td>
<td>0.3%</td>
<td>-</td>
</tr>
<tr>
<td>Adjustment for current tax of prior periods</td>
<td>(0.7%)</td>
<td>2.7%</td>
</tr>
<tr>
<td>Statutory tax rate</td>
<td>22.0%</td>
<td>22.0%</td>
</tr>
</tbody>
</table>

7. **Basic earnings per share**

The calculation of basic earnings per share at the reporting date was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares calculated as follows:

**Weighted average number of shares**

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>COMPANY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>Issued ordinary shares at 1 January</td>
<td>80 000 000</td>
<td>80 000 000</td>
</tr>
<tr>
<td>Weighted average number of ordinary shares at 31 December</td>
<td>80 000 000</td>
<td>80 000 000</td>
</tr>
</tbody>
</table>

**Basic earnings per share calculation**

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>COMPANY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td>29 553 355</td>
<td>28 846 871</td>
</tr>
<tr>
<td>Weighted average number of ordinary shares at 31 December</td>
<td>80 000 000</td>
<td>80 000 000</td>
</tr>
</tbody>
</table>

Basic earnings per share (thebe) | 36.94 | 36.06 | 36.45 | 34.38 |

8. **Dividends per share**

**Interim dividend**

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>COMPANY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal - Paid 10.87 thebe gross of tax (2014: 7.80 thebe gross of tax)</td>
<td>8 699 000</td>
<td>6 240 000</td>
</tr>
<tr>
<td>Final dividend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposed 10.88 thebe gross of tax (2014: 13.32 thebe gross of tax)</td>
<td>8 698 000</td>
<td>10 658 000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>COMPANY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued shares at 31 December</td>
<td>80 000 000</td>
<td>80 000 000</td>
</tr>
</tbody>
</table>

9. **Plant and equipment**

**GROUP**

<table>
<thead>
<tr>
<th></th>
<th>Furniture fittings &amp; equipment</th>
<th>Leasehold improvements</th>
<th>Motor vehicles</th>
<th>Radio &amp; alarm equipment</th>
<th>Uniforms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td><strong>At 1 January 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>13,925,877</td>
<td>3,243,080</td>
<td>26,714,393</td>
<td>24,866,969</td>
<td>11,185,549</td>
<td>79,935,868</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(11,626,084)</td>
<td>(657,856)</td>
<td>(19,341,350)</td>
<td>(19,258,507)</td>
<td>(8,324,417)</td>
<td>(59,208,214)</td>
</tr>
<tr>
<td>Net book amount</td>
<td>2,299,793</td>
<td>2,585,224</td>
<td>7,373,043</td>
<td>5,608,462</td>
<td>2,861,132</td>
<td>20,727,654</td>
</tr>
<tr>
<td><strong>Year ended 31 December 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment</td>
<td>(371,689)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to inventory</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>549,817</td>
<td>637,355</td>
<td>4,140,857</td>
<td>672,381</td>
<td>3,170,269</td>
<td>9,170,679</td>
</tr>
<tr>
<td>Disposals</td>
<td>(2,291)</td>
<td>-</td>
<td>(297,885)</td>
<td>-</td>
<td>-</td>
<td>(297,885)</td>
</tr>
<tr>
<td>Depreciation charge (note 2)</td>
<td>(1,132,160)</td>
<td>(332,098)</td>
<td>(3,338,429)</td>
<td>(3,188,160)</td>
<td>(3,155,081)</td>
<td>(11,145,928)</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>1,343,470 (150,934)</td>
<td>2,890,481</td>
<td>8,018,458</td>
<td>3,166,487</td>
<td>2,876,320</td>
<td>18,295,216</td>
</tr>
<tr>
<td><strong>At 31 December 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(12,758,244)</td>
<td>(989,954)</td>
<td>(22,679,779)</td>
<td>(22,446,667)</td>
<td>(11,479,498)</td>
<td>(70,354,142)</td>
</tr>
<tr>
<td>Net book amount</td>
<td>1,343,470</td>
<td>2,890,481</td>
<td>8,018,458</td>
<td>3,166,487</td>
<td>2,876,320</td>
<td>18,295,216</td>
</tr>
<tr>
<td><strong>Year ended 31 December 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening net book amount</td>
<td>1,343,470</td>
<td>2,890,481</td>
<td>8,018,458</td>
<td>3,166,487</td>
<td>2,876,320</td>
<td>18,295,216</td>
</tr>
<tr>
<td>Adjustment</td>
<td>(396,047)</td>
<td>1</td>
<td>(1,489)</td>
<td>397,534</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Additions</td>
<td>264,300</td>
<td>596,219</td>
<td>2,112,330</td>
<td>4,503,921</td>
<td>2,560,972</td>
<td>10,037,742</td>
</tr>
<tr>
<td>Disposals</td>
<td>(20,026)</td>
<td>-</td>
<td>(76,563)</td>
<td>(40,738)</td>
<td>-</td>
<td>(137,327)</td>
</tr>
<tr>
<td>Depreciation charge (note 2)</td>
<td>(606,247)</td>
<td>(446,974)</td>
<td>(3,211,795)</td>
<td>(2,341,871)</td>
<td>(2,985,488)</td>
<td>(9,592,375)</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>585,450</td>
<td>3,039,727</td>
<td>6,840,941</td>
<td>5,685,333</td>
<td>2,451,805</td>
<td>18,603,256</td>
</tr>
</tbody>
</table>

**At 31 December 2015**

<table>
<thead>
<tr>
<th></th>
<th>Furniture fittings &amp; equipment</th>
<th>Leasehold improvements</th>
<th>Motor vehicles</th>
<th>Radio &amp; alarm equipment</th>
<th>Uniforms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>13,949,941</td>
<td>4,476,655</td>
<td>32,732,515</td>
<td>30,473,871</td>
<td>16,916,791</td>
<td>98,549,773</td>
</tr>
<tr>
<td><strong>Accumulated depreciation</strong></td>
<td>(13,364,491)</td>
<td>(1,436,928)</td>
<td>(25,891,574)</td>
<td>(24,788,538)</td>
<td>(14,464,986)</td>
<td>(79,946,517)</td>
</tr>
<tr>
<td><strong>Net book amount</strong></td>
<td>585,450</td>
<td>3,039,727</td>
<td>6,840,941</td>
<td>5,685,333</td>
<td>2,451,805</td>
<td>18,603,256</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pula</strong></td>
<td>18,603,256</td>
<td>18,603,256</td>
</tr>
</tbody>
</table>

Net book value of motor vehicles subject to finance lease obligations (refer note 18) - 256,728
9. **Plant and equipment** [continued]

**COMPANY**

<table>
<thead>
<tr>
<th></th>
<th>Furniture fittings &amp; equipment</th>
<th>Leasehold improvements</th>
<th>Motor vehicles</th>
<th>Radio &amp; alarm equipment</th>
<th>Uniforms</th>
<th>Total Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 1 January 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>12 260 401</td>
<td>3 243 080</td>
<td>25 682 999</td>
<td>24 866 969</td>
<td>10 687 711</td>
<td>76 741 160</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(10 364 562)</td>
<td>(657 856)</td>
<td>(18 808 809)</td>
<td>(19 258 507)</td>
<td>(7 984 206)</td>
<td>(57 073 940)</td>
</tr>
<tr>
<td>Net book amount</td>
<td>1 895 839</td>
<td>2 585 224</td>
<td>6 874 190</td>
<td>5 608 462</td>
<td>2 703 505</td>
<td>19 667 220</td>
</tr>
<tr>
<td><strong>Year ended 31 December 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening net book amount</td>
<td>1 895 839</td>
<td>2 585 224</td>
<td>6 874 190</td>
<td>5 608 462</td>
<td>2 703 505</td>
<td>19 667 220</td>
</tr>
<tr>
<td>Adjustment</td>
<td>(29 946)</td>
<td>-</td>
<td>-</td>
<td>29 946</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to inventory</td>
<td>-</td>
<td>-</td>
<td>(297 885)</td>
<td>-</td>
<td>(297 885)</td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>549 817</td>
<td>637 355</td>
<td>4 140 857</td>
<td>588 220</td>
<td>2 837 536</td>
<td>8 753 785</td>
</tr>
<tr>
<td>Disposals</td>
<td>(2 291)</td>
<td>-</td>
<td>(157 013)</td>
<td>-</td>
<td>-</td>
<td>(159 304)</td>
</tr>
<tr>
<td>Depreciation charge (note 2)</td>
<td>(1 089 284)</td>
<td>(332 098)</td>
<td>(3 333 407)</td>
<td>(3 059 225)</td>
<td>(2 960 963)</td>
<td>(10 774 977)</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>1 324 135</td>
<td>2 890 481</td>
<td>7 524 627</td>
<td>2 869 518</td>
<td>2 580 078</td>
<td>17 188 839</td>
</tr>
<tr>
<td><strong>At 31 December 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>12 777 981</td>
<td>3 880 435</td>
<td>29 666 843</td>
<td>25 187 250</td>
<td>13 525 247</td>
<td>85 037 756</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(11 453 846)</td>
<td>(989 954)</td>
<td>(22 142 216)</td>
<td>(22 317 732)</td>
<td>(10 945 169)</td>
<td>(67 848 917)</td>
</tr>
<tr>
<td>Net book amount</td>
<td>1 324 135</td>
<td>2 890 481</td>
<td>7 524 627</td>
<td>2 869 518</td>
<td>2 580 078</td>
<td>17 188 839</td>
</tr>
<tr>
<td><strong>Year ended 31 December 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening net book amount</td>
<td>1 324 135</td>
<td>2 890 481</td>
<td>7 524 627</td>
<td>2 869 518</td>
<td>2 580 078</td>
<td>17 188 839</td>
</tr>
<tr>
<td>Adjustmement</td>
<td>(396 047)</td>
<td>1</td>
<td>(1 489)</td>
<td>397 534</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Additions</td>
<td>264 300</td>
<td>596 219</td>
<td>1 884 068</td>
<td>3 875 089</td>
<td>2 119 594</td>
<td>8 739 270</td>
</tr>
<tr>
<td>Disposals</td>
<td>(20 026)</td>
<td>-</td>
<td>(76 564)</td>
<td>(41 082)</td>
<td>-</td>
<td>(137 672)</td>
</tr>
<tr>
<td>Depreciation charge (note 2)</td>
<td>(591 209)</td>
<td>(446 974)</td>
<td>(2 696 458)</td>
<td>(2 085 701)</td>
<td>(2 665 820)</td>
<td>(8 486 162)</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>581 153</td>
<td>3 039 727</td>
<td>6 634 184</td>
<td>5 015 358</td>
<td>2 033 853</td>
<td>17 304 275</td>
</tr>
<tr>
<td><strong>At 31 December 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>11 688 347</td>
<td>4 476 655</td>
<td>29 824 522</td>
<td>29 418 791</td>
<td>15 585 358</td>
<td>90 993 673</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(11 107 194)</td>
<td>(1 436 928)</td>
<td>(23 190 338)</td>
<td>(24 403 433)</td>
<td>(13 551 505)</td>
<td>(73 689 396)</td>
</tr>
<tr>
<td>Net book amount</td>
<td>581 153</td>
<td>3 039 727</td>
<td>6 634 184</td>
<td>5 015 358</td>
<td>2 033 853</td>
<td>17 304 275</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pula</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net book value of motor vehicles subject to finance lease obligations (refer note 18)</strong></td>
<td>-</td>
<td>256 728</td>
</tr>
</tbody>
</table>
10. Goodwill

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>COMPANY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>At beginning of year</td>
<td>18 066 102</td>
<td>9 715 123</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>18 066 102</td>
<td>9 715 123</td>
</tr>
</tbody>
</table>

Impairment test of goodwill

For the purpose of impairment testing, goodwill is attached to the following:

- Manned security
  - Goodwill: 9 715 123

- G4S Facilities Management Botswana (Pty) Ltd
  - Goodwill: 8 350 979

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGU) for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

The Group did not identify any impairment for both the Manned Security division and the G4S Facilities Management Botswana (Pty) Ltd, as cash generating units of the business.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.
10. **Goodwill [continued]**

Key assumptions used in the calculation of recoverable amounts, discount rates and growth rates, are as follows for Manned Security division:

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>GROUP 2014</th>
<th>COMPANY 2015</th>
<th>COMPANY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>Inflation</td>
<td>3.90%</td>
<td>4.10%</td>
<td>3.90%</td>
<td>4.10%</td>
</tr>
<tr>
<td>Growth rate beyond the budget period</td>
<td>2.00%</td>
<td>2.00%</td>
<td>2.00%</td>
<td>2.00%</td>
</tr>
<tr>
<td>Revenue growth rate</td>
<td>9.00%</td>
<td>9.00%</td>
<td>9.00%</td>
<td>9.00%</td>
</tr>
<tr>
<td>Discount rate</td>
<td>18.89%</td>
<td>16.00%</td>
<td>18.89%</td>
<td>16.00%</td>
</tr>
<tr>
<td>Recoverable amount of goodwill</td>
<td>27 097 000</td>
<td>41 077 000</td>
<td>27 097 000</td>
<td>41 077 000</td>
</tr>
<tr>
<td>Headroom %</td>
<td>179%</td>
<td>323%</td>
<td>179%</td>
<td>323%</td>
</tr>
</tbody>
</table>

Key assumptions used in the calculation of recoverable amounts, discount rates and growth rates, are as follows for G4S Facilities Management (Pty) Ltd:

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015 Pula</td>
<td>2014 Pula</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inflation</td>
<td>3.90%</td>
<td>4.10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth rate beyond the budget period</td>
<td>2.00%</td>
<td>2.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue growth rate</td>
<td>10%</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount rate</td>
<td>18.89%</td>
<td>16.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recoverable amount of goodwill</td>
<td>17 331 000</td>
<td>16 218 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Headroom %</td>
<td>108%</td>
<td>94%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

No reasonable movement in any of the underlying assumptions would indicate impairment of the goodwill for both these cash generating units.

11. **Investment in subsidiary**

<table>
<thead>
<tr>
<th></th>
<th>2015 Pula</th>
<th>2014 Pula (Restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>7 444 017</td>
<td>7 444 017</td>
</tr>
<tr>
<td>Closing balance</td>
<td>7 444 017</td>
<td>7 444 017</td>
</tr>
</tbody>
</table>

Details of the subsidiary are as follows:

<table>
<thead>
<tr>
<th>Name of company</th>
<th>Country of incorporation</th>
<th>Effective interest %</th>
<th>Equity (No. of shares)</th>
<th>Principal activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4S Facilities Management</td>
<td>Botswana</td>
<td>72%</td>
<td>305</td>
<td>Industrial &amp; Commercial</td>
</tr>
<tr>
<td>Botswana (Pty) Limited</td>
<td>Botswana</td>
<td></td>
<td></td>
<td>Cleaning Services</td>
</tr>
</tbody>
</table>
Notes to the financial statements [continued]
for the year ended 31 December 2015

12. Inventories

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Security alarms fire alarms and equipment</td>
<td>2 243 171</td>
<td>2 445 425</td>
<td>2 243 171</td>
<td>2 445 425</td>
</tr>
<tr>
<td>Consumables</td>
<td>1 726 441</td>
<td>2 036 461</td>
<td>1 329 801</td>
<td>1 771 119</td>
</tr>
<tr>
<td>Other inventory</td>
<td>96 354</td>
<td>197 938</td>
<td>96 354</td>
<td>197 938</td>
</tr>
<tr>
<td></td>
<td>4 065 966</td>
<td>4 679 824</td>
<td>3 669 326</td>
<td>4 414 482</td>
</tr>
<tr>
<td>Amount of inventories recognised as an expense in profit or loss</td>
<td>10 300 870</td>
<td>9 394 075</td>
<td>8 775 039</td>
<td>7 828 232</td>
</tr>
</tbody>
</table>

13. Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>25 613 198</td>
<td>27 413 055</td>
<td>23 162 834</td>
<td>24 660 012</td>
</tr>
<tr>
<td>Less: impairment accrual</td>
<td>(3 563 942)</td>
<td>(8 421 452)</td>
<td>(3 370 707)</td>
<td>(8 150 461)</td>
</tr>
<tr>
<td>Net trade receivables</td>
<td>22 049 256</td>
<td>18 991 603</td>
<td>19 792 127</td>
<td>16 509 551</td>
</tr>
<tr>
<td>Other receivables</td>
<td>1 000 890</td>
<td>2 707 506</td>
<td>974 658</td>
<td>2 694 801</td>
</tr>
<tr>
<td>Prepayments</td>
<td>547 172</td>
<td>404 700</td>
<td>537 501</td>
<td>401 884</td>
</tr>
<tr>
<td></td>
<td>23 597 318</td>
<td>22 103 809</td>
<td>21 304 286</td>
<td>19 606 236</td>
</tr>
</tbody>
</table>

Other receivables includes contractual deposits, travel advances, staff debtors and variable claims from suppliers such insurance claims.

14. Amounts due from related parties

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>G4S Plc.</td>
<td>39 469 243</td>
<td>26 034 214</td>
<td>39 469 243</td>
<td>26 034 214</td>
</tr>
<tr>
<td>G4S Corporate Services Limited</td>
<td>-</td>
<td>24 098</td>
<td>-</td>
<td>24 098</td>
</tr>
<tr>
<td>G4S Facilities Management Botswana (Pty) Limited</td>
<td>-</td>
<td>-</td>
<td>908 292</td>
<td>794 850</td>
</tr>
<tr>
<td>G4S Cash SA</td>
<td>156 233</td>
<td>545 799</td>
<td>156 232</td>
<td>545 799</td>
</tr>
<tr>
<td></td>
<td>39 625 476</td>
<td>26 604 111</td>
<td>40 533 767</td>
<td>27 398 961</td>
</tr>
</tbody>
</table>

The pricing policy for trading and other transactions is determined on the basis of normal arm’s length dealings. The amount due from G4S Plc. bears interest at an average of 10.5% per annum (2014: 9.5% per annum). The remaining balances are interest free. The amounts due from related parties are unsecured and payable on demand.
15. **Cash and cash equivalents**

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>GROUP 2014</th>
<th>COMPANY 2015</th>
<th>COMPANY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>Deposits at call</td>
<td>4 313 575</td>
<td>7 836 349</td>
<td>4 295 682</td>
<td>7 627 349</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>3 433 920</td>
<td>6 483 541</td>
<td>2 448 489</td>
<td>5 453 179</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7 747 495</td>
<td>14 319 890</td>
<td>6 744 171</td>
<td>13 080 528</td>
</tr>
</tbody>
</table>

16. **Stated capital and premium**

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>GROUP 2014</th>
<th>COMPANY 2015</th>
<th>COMPANY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>80 000 000 ordinary shares at no par value</td>
<td>1 804 557</td>
<td>1 804 557</td>
<td>1 804 557</td>
<td>1 804 557</td>
</tr>
</tbody>
</table>

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All shares rank equally with regard to the company’s residual assets.

17. **Deferred tax balances**

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>GROUP 2014</th>
<th>COMPANY 2015</th>
<th>COMPANY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td><strong>Deferred tax reconciliation:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of the year</td>
<td>(330 518)</td>
<td>(592 563)</td>
<td>(459 066)</td>
<td>(721 556)</td>
</tr>
<tr>
<td>Movement per profit or loss</td>
<td>(119 923)</td>
<td>262 045</td>
<td>(88 768)</td>
<td>262 490</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td>(450 441)</td>
<td>(330 518)</td>
<td>(547 834)</td>
<td>(459 066)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>GROUP 2014</th>
<th>COMPANY 2015</th>
<th>COMPANY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td><strong>Analysis of deferred taxation:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accelerated capital allowances</td>
<td>488 056</td>
<td>589 535</td>
<td>392 791</td>
<td>460 987</td>
</tr>
<tr>
<td>Finance lease obligations</td>
<td>-</td>
<td>(56 480)</td>
<td>-</td>
<td>(56 480)</td>
</tr>
<tr>
<td>Prepaid revenue</td>
<td>(628 787)</td>
<td></td>
<td>(628 787)</td>
<td></td>
</tr>
<tr>
<td>Prepayments</td>
<td>120 378</td>
<td>(684 963)</td>
<td>118 250</td>
<td>(684 963)</td>
</tr>
<tr>
<td>Operating lease accrual</td>
<td>(294 266)</td>
<td>(263 147)</td>
<td>(294 266)</td>
<td>(263 147)</td>
</tr>
<tr>
<td>Prepayments to suppliers</td>
<td>-</td>
<td>84 537</td>
<td>-</td>
<td>84 537</td>
</tr>
<tr>
<td>Royalties &amp; Licenses (Section 50A)</td>
<td>(135 822)</td>
<td>-</td>
<td>(135 822)</td>
<td>-</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td>(450 441)</td>
<td>(330 518)</td>
<td>(547 834)</td>
<td>(459 066)</td>
</tr>
</tbody>
</table>
17. Deferred tax balances [continued]

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>GROUP 2014</th>
<th>COMPANY 2015</th>
<th>COMPANY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>Deferred tax (asset)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid revenue</td>
<td>(628 787)</td>
<td>-</td>
<td>(628 787)</td>
<td>-</td>
</tr>
<tr>
<td>Operating lease accrual</td>
<td>(294 266)</td>
<td>(263 147)</td>
<td>(294 266)</td>
<td>(263 147)</td>
</tr>
<tr>
<td>Finance lease obligations</td>
<td>-</td>
<td>(56 480)</td>
<td>-</td>
<td>(56 480)</td>
</tr>
<tr>
<td>Prepayments</td>
<td>-</td>
<td>(684 963)</td>
<td>-</td>
<td>(684 963)</td>
</tr>
<tr>
<td>Royalties &amp; Licenses (Section 50A)</td>
<td>(135 822)</td>
<td>-</td>
<td>(135 822)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(1 058 875)</td>
<td>(1 004 590)</td>
<td>(1 058 875)</td>
<td>(1 004 590)</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accelerated capital allowances</td>
<td>488 056</td>
<td>589 535</td>
<td>392 791</td>
<td>460 987</td>
</tr>
<tr>
<td>Prepayments</td>
<td>120 378</td>
<td>-</td>
<td>118 250</td>
<td>-</td>
</tr>
<tr>
<td>Prepayments to suppliers</td>
<td>-</td>
<td>84 537</td>
<td>-</td>
<td>84 537</td>
</tr>
<tr>
<td></td>
<td>608 434</td>
<td>674 072</td>
<td>511 041</td>
<td>545 524</td>
</tr>
<tr>
<td>Net deferred tax (asset)</td>
<td>(450 441)</td>
<td>(330 518)</td>
<td>(547 834)</td>
<td>(459 066)</td>
</tr>
</tbody>
</table>

18. Interest bearing borrowings

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>GROUP 2014</th>
<th>COMPANY 2015</th>
<th>COMPANY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>Finance lease liabilities are analysed as follows:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding lease instalments (including interest)</td>
<td>-</td>
<td>268 315</td>
<td>-</td>
<td>268 315</td>
</tr>
<tr>
<td>Less: future interest</td>
<td>-</td>
<td>(11 587)</td>
<td>-</td>
<td>(11 587)</td>
</tr>
<tr>
<td>Capital portion of outstanding instalments</td>
<td>-</td>
<td>256 728</td>
<td>-</td>
<td>256 728</td>
</tr>
<tr>
<td>Less: Short term portion transferred to current liabilities</td>
<td>-</td>
<td>(256 728)</td>
<td>-</td>
<td>(256 728)</td>
</tr>
<tr>
<td>Finance lease liabilities payable within two to five years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The full liability has been settled within the 2015 reporting period.
19. **Trade and other payables**

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>GROUP 2014</th>
<th>COMPANY 2015</th>
<th>COMPANY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>Trade payables</td>
<td>8 300 676</td>
<td>7 832 658</td>
<td>7 513 878</td>
<td>6 994 025</td>
</tr>
<tr>
<td>VAT</td>
<td>1 411 378</td>
<td>1 418 419</td>
<td>1 264 832</td>
<td>1 284 766</td>
</tr>
<tr>
<td>Payroll accruals</td>
<td>10 012 277</td>
<td>6 918 528</td>
<td>9 133 447</td>
<td>6 032 625</td>
</tr>
<tr>
<td>Other payables and accruals</td>
<td>6 060 971</td>
<td>7 643 312</td>
<td>5 947 577</td>
<td>7 500 332</td>
</tr>
<tr>
<td></td>
<td><strong>25 785 302</strong></td>
<td><strong>23 812 917</strong></td>
<td><strong>23 859 734</strong></td>
<td><strong>21 811 748</strong></td>
</tr>
</tbody>
</table>

Other payables and accruals include advanced customer receipts, unpaid dividends, customer claims and accrued expenses such as utilities, audit fees, and telephones, etc.

20. **Amounts due to related parties**

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015</th>
<th>GROUP 2014</th>
<th>COMPANY 2015</th>
<th>COMPANY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
<td>Pula</td>
</tr>
<tr>
<td>G4S Plc</td>
<td>479 099</td>
<td>452 405</td>
<td>479 099</td>
<td>452 405</td>
</tr>
<tr>
<td>G4S Services and Supply</td>
<td>45 679</td>
<td>31 720</td>
<td>45 679</td>
<td>31 720</td>
</tr>
<tr>
<td>Indo- British Garment Corporate</td>
<td>240 034</td>
<td>-</td>
<td>240 034</td>
<td>-</td>
</tr>
<tr>
<td>G4S Corporate Services Ltd</td>
<td>88 167</td>
<td>-</td>
<td>88 167</td>
<td>-</td>
</tr>
<tr>
<td>G4S Africa (Pty) Ltd</td>
<td>17 494</td>
<td>1 281</td>
<td>17 494</td>
<td>1 281</td>
</tr>
<tr>
<td>G4S Cash Deposita</td>
<td>1 330 990</td>
<td>274 420</td>
<td>1 330 990</td>
<td>274 420</td>
</tr>
<tr>
<td></td>
<td><strong>2 201 463</strong></td>
<td><strong>759 826</strong></td>
<td><strong>2 201 463</strong></td>
<td><strong>759 826</strong></td>
</tr>
</tbody>
</table>

These amounts are interest free, unsecured and payable within 30 days from invoice date.
21. **Taxation paid/(refunded)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts payable/(refundable) at beginning of year</td>
<td>6 098 047</td>
<td>5 865 106</td>
<td>2 142 841</td>
<td>(2 221 513)</td>
</tr>
<tr>
<td>Taxation per profit or loss (excluding deferred taxation)</td>
<td>9 685 753</td>
<td>9 373 598</td>
<td>6 840 635</td>
<td>6 436 154</td>
</tr>
<tr>
<td>Prior year tax credit</td>
<td>(245 260)</td>
<td>(245 607)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amounts payable at end of year</td>
<td>(602 454)</td>
<td>(639 882)</td>
<td>(6 098 047)</td>
<td>(5 865 106)</td>
</tr>
<tr>
<td>Cash amounts paid/(refunded)</td>
<td>14 936 086</td>
<td>14 353 215</td>
<td>(1 400 253)</td>
<td>(1 650 465)</td>
</tr>
</tbody>
</table>

22. **Dividends paid**

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015 Pula</th>
<th>COMPANY 2015 Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts unpaid at beginning of year</td>
<td>10 658 000</td>
<td>10 658 000</td>
</tr>
<tr>
<td>Dividends declared</td>
<td>8 941 918</td>
<td>8 699 000</td>
</tr>
<tr>
<td></td>
<td>19 599 918</td>
<td>19 357 000</td>
</tr>
</tbody>
</table>

23. **Cash generated from operating activities**

Reclassification of items in the statement of cash flows:

Following a critical review of the business components underlying cash flows, certain cash flow components have been reclassified between operating activities, investing activities and financing activities in the separate and consolidated statement of cash flows.

The reclassification has no impact on the separate and consolidated statement of comprehensive income, statement of financial position and net increase in cash and cash equivalents reported in prior periods.

The impact of this reclassification is summarised as follows:

<table>
<thead>
<tr>
<th></th>
<th>GROUP 2015 Pula</th>
<th>COMPANY 2015 Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities - 2014 (previously reported)</td>
<td>10 603 873</td>
<td>9 556 437</td>
</tr>
<tr>
<td>Transferred to financing activities - Dividends paid</td>
<td>9 064 000</td>
<td>9 064 000</td>
</tr>
<tr>
<td>Transferred to investing activities - Loans to related parties</td>
<td>22 000 000</td>
<td>22 000 000</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities - 2014 (reclassified)</strong></td>
<td>41 667 873</td>
<td>40 620 437</td>
</tr>
<tr>
<td>Cash flows from investing activities - 2014 (previously reported)</td>
<td>(8 344 634)</td>
<td>(7 935 663)</td>
</tr>
<tr>
<td>Transferred from operating activities - Loans to related parties</td>
<td>(22 000 000)</td>
<td>(22 000 000)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities - 2014 (reclassified)</strong></td>
<td>(30 344 634)</td>
<td>(29 935 663)</td>
</tr>
<tr>
<td>Cash flows from financing activities - 2014 (previously reported)</td>
<td>(768 251)</td>
<td>(768 251)</td>
</tr>
<tr>
<td>Transferred from operating activities - Dividends paid</td>
<td>(9 064 000)</td>
<td>(9 064 000)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities - 2014 (reclassified)</strong></td>
<td>(9 832 251)</td>
<td>(9 832 251)</td>
</tr>
</tbody>
</table>
23. **Cash generated from operating activities [continued]**

<table>
<thead>
<tr>
<th>Notes</th>
<th>GROUP 2015</th>
<th></th>
<th>COMPANY 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pula</td>
<td></td>
<td>Pula</td>
<td></td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before income tax</td>
<td>39 119 185</td>
<td></td>
<td>35 948 551</td>
<td></td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance income</td>
<td>(3 443 924)</td>
<td></td>
<td>(3 443 020)</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>9</td>
<td></td>
<td>11 145 928</td>
<td></td>
</tr>
<tr>
<td>Increase in operating lease liabilities</td>
<td>25</td>
<td></td>
<td>141 446</td>
<td></td>
</tr>
<tr>
<td>(Decrease)/increase in trade receivables impairment accrual</td>
<td>(4 857 510)</td>
<td></td>
<td>(4 779 754)</td>
<td></td>
</tr>
<tr>
<td>Profit on disposal of motor vehicles and equipment</td>
<td>(617 323)</td>
<td></td>
<td>(646 987)</td>
<td></td>
</tr>
<tr>
<td>Operating profit before changes in working capital</td>
<td>39 934 249</td>
<td></td>
<td>38 273 770</td>
<td></td>
</tr>
<tr>
<td>Decrease/(increase) in net amounts due from related parties</td>
<td>1 687 121</td>
<td></td>
<td>1 573 679</td>
<td></td>
</tr>
<tr>
<td>Decrease/(increase) in inventories</td>
<td>613 858</td>
<td></td>
<td>741 516</td>
<td></td>
</tr>
<tr>
<td>Decrease/(increase) in trade and other receivables</td>
<td>3 364 001</td>
<td></td>
<td>3 081 704</td>
<td></td>
</tr>
<tr>
<td>Increase/(decrease) in trade and other payables</td>
<td>1 972 385</td>
<td></td>
<td>2 047 986</td>
<td></td>
</tr>
<tr>
<td>Cash inflow from operating activities</td>
<td>47 571 614</td>
<td></td>
<td>40 234 002</td>
<td></td>
</tr>
<tr>
<td></td>
<td>45 722 295</td>
<td></td>
<td>38 936 354</td>
<td></td>
</tr>
</tbody>
</table>

24. **Commitments**

*a) Operating lease commitments*

The Group leases properties and vehicles under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

<table>
<thead>
<tr>
<th>Notes</th>
<th>GROUP 2015</th>
<th></th>
<th>COMPANY 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td></td>
<td>2015</td>
<td></td>
</tr>
<tr>
<td>Due within one year</td>
<td>5 925 940</td>
<td></td>
<td>5 879 631</td>
<td></td>
</tr>
<tr>
<td>Due between second to third years</td>
<td>27 736 131</td>
<td></td>
<td>27 736 131</td>
<td></td>
</tr>
<tr>
<td>Due after more than 3 years</td>
<td>4 044 526</td>
<td></td>
<td>4 044 526</td>
<td></td>
</tr>
<tr>
<td></td>
<td>37 706 597</td>
<td></td>
<td>37 660 288</td>
<td></td>
</tr>
<tr>
<td></td>
<td>46 060 156</td>
<td></td>
<td>45 532 801</td>
<td></td>
</tr>
</tbody>
</table>

*b) Capital commitments*

There are no capital commitments that were contracted for at the end of the reporting period.
Notes to the financial statements [continued]
for the year ended 31 December 2015

25. Deferred lease obligations

The operating lease accruals relate to operating lease contracts entered into between the company and the following parties:
- Estate Property Investments (Pty) Ltd for the rental of premises. This lease contract is for a period of 15 years from 01 February 2011 to 31 January 2026. The lease contract is subject to a fixed annual escalation of 10% per annum.
- Merge Holdings (Pty) Ltd for the rental of premises. This lease contract is for a period of 5 years from 1 April 2011 to 31 March 2016. The lease contract is subject to a fixed annual escalation of 10% per annum.

As at reporting date the deferred lease obligation for both Group and Company amounted to P1,337,571 (2014: 1,196,125) has been recognised as liability in view of the adjustment to straight-line rentals over the period of leases.

26. Related party transactions

The related parties noted below are classified as related parties due to the following:

<table>
<thead>
<tr>
<th>Related company</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4S International 105 (UK) Ltd</td>
<td>Holding company</td>
</tr>
<tr>
<td>G4S Plc</td>
<td>Ultimate holding company</td>
</tr>
<tr>
<td>G4S Services &amp; Supply</td>
<td>Fellow subsidiary</td>
</tr>
<tr>
<td>G4S Corporate Services Ltd</td>
<td>Fellow subsidiary</td>
</tr>
<tr>
<td>G4S Africa (Pty) Ltd</td>
<td>Fellow subsidiary</td>
</tr>
<tr>
<td>Indo-British Garment Corporate</td>
<td>Fellow subsidiary</td>
</tr>
<tr>
<td>G4S Cash SA</td>
<td>Fellow subsidiary</td>
</tr>
<tr>
<td>G4S Cash Deposita</td>
<td>Fellow subsidiary</td>
</tr>
<tr>
<td>G4S Facilities Management Botswana (Pty) Ltd</td>
<td>Subsidiary</td>
</tr>
</tbody>
</table>
### 26. Related party transactions [continued]

**GROUP AND COMPANY**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>G4S Plc Interest received</td>
<td>3,435,029</td>
<td>1,533,321</td>
<td>3,435,029</td>
<td>1,533,321</td>
</tr>
<tr>
<td>G4S International 105 (UK) Ltd Dividend paid</td>
<td>(12,872,570)</td>
<td>(6,027,560)</td>
<td>(12,872,570)</td>
<td>(6,027,560)</td>
</tr>
<tr>
<td>G4S Plc Royalty fees</td>
<td>(1,921,704)</td>
<td>(1,850,795)</td>
<td>(1,921,704)</td>
<td>(1,850,795)</td>
</tr>
<tr>
<td>G4S Services &amp; Supply Salaries</td>
<td>(660,305)</td>
<td>(432,361)</td>
<td>(660,305)</td>
<td>(432,361)</td>
</tr>
<tr>
<td>G4S Corporate Services Ltd Management fees</td>
<td>(307,061)</td>
<td>(1,332,287)</td>
<td>(307,061)</td>
<td>(1,332,287)</td>
</tr>
<tr>
<td>G4S Corporate Services Ltd Global Insurance - CIT</td>
<td>(66,150)</td>
<td>-</td>
<td>(66,150)</td>
<td>-</td>
</tr>
<tr>
<td>G4S Corporate Services Ltd Google licence fee</td>
<td>(102,538)</td>
<td>-</td>
<td>(102,538)</td>
<td>-</td>
</tr>
<tr>
<td>G4S Cash Deposita Deposita machines</td>
<td>(1,056,570)</td>
<td>(274,420)</td>
<td>(1,056,570)</td>
<td>(274,420)</td>
</tr>
<tr>
<td>G4S Cash SA Intercompany sales</td>
<td>3,098,889</td>
<td>1,067,295</td>
<td>3,098,889</td>
<td>1,067,295</td>
</tr>
<tr>
<td>G4S Cash SA Intercompany purchases</td>
<td>(86,795)</td>
<td>-</td>
<td>(86,795)</td>
<td>-</td>
</tr>
<tr>
<td>Indo-British Garments Corporate Expenses paid</td>
<td>(240,034)</td>
<td>-</td>
<td>(240,034)</td>
<td>-</td>
</tr>
<tr>
<td>G4S Africa (Pty) Ltd Intercompany purchases</td>
<td>(847,627)</td>
<td>(259,359)</td>
<td>(847,627)</td>
<td>(259,359)</td>
</tr>
<tr>
<td>G4S Facilities Management Goods and service</td>
<td>-</td>
<td>-</td>
<td>626,226</td>
<td>564,551</td>
</tr>
</tbody>
</table>

For related party receivables at year end, refer to note 14, and for related party payables, refer to note 20. For Directors’ emoluments, refer to note 3.

The key management personnel compensation consists of short-term employee benefits paid to the executive management consisting of the Managing director; Finance director; Human Resources director; Head of sales, Operations director and Operations manager.

<table>
<thead>
<tr>
<th></th>
<th>2015 Pula</th>
<th>2014 Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term employee benefits</td>
<td>4,134,357</td>
<td>3,263,117</td>
</tr>
<tr>
<td>Pension fund contributions</td>
<td>270,967</td>
<td>299,770</td>
</tr>
<tr>
<td>Total</td>
<td>4,405,324</td>
<td>3,562,887</td>
</tr>
</tbody>
</table>
## 27. Financial instruments

### Financial assets

The Group’s financial assets are categorised as follows:

### GROUP

<table>
<thead>
<tr>
<th>Financial assets at amortised cost - Net</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current</td>
<td>Total</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>22,049,256</td>
<td>22,049,256</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7,747,495</td>
<td>7,747,495</td>
</tr>
<tr>
<td></td>
<td>29,796,751</td>
<td>29,796,751</td>
</tr>
<tr>
<td>Loans to related parties</td>
<td>39,625,476</td>
<td>39,625,476</td>
</tr>
<tr>
<td>Other receivables</td>
<td>1,000,890</td>
<td>1,000,890</td>
</tr>
<tr>
<td></td>
<td>70,423,117</td>
<td>70,423,117</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Loans to related parties</td>
</tr>
<tr>
<td>Other receivables</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
27. Financial instruments [continued]

Financial liabilities

The Group’s financial liabilities are categorised as follows:

**GROUP**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current</td>
<td>Total</td>
</tr>
<tr>
<td>Trade payables</td>
<td>8 300 676</td>
<td>8 300 676</td>
</tr>
<tr>
<td>Interest bearing borrowings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amounts due to related parties</td>
<td>2 201 463</td>
<td>2 201 463</td>
</tr>
<tr>
<td>Other payables and accruals</td>
<td>6 060 971</td>
<td>6 060 971</td>
</tr>
<tr>
<td></td>
<td>16 563 110</td>
<td>16 563 110</td>
</tr>
</tbody>
</table>

**COMPANY**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>7 513 878</td>
<td>7 513 878</td>
</tr>
<tr>
<td>Interest bearing borrowings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amounts due to related parties</td>
<td>2 201 463</td>
<td>2 201 463</td>
</tr>
<tr>
<td>Other payables and accruals</td>
<td>5 947 577</td>
<td>5 947 577</td>
</tr>
<tr>
<td></td>
<td>15 662 918</td>
<td>15 662 918</td>
</tr>
</tbody>
</table>

The carrying value of financial liabilities at amortised cost approximates the fair value due to their short-term nature.
28. Segmental reporting

The Group has the following five strategic divisions, which are its reportable segment. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment:

<table>
<thead>
<tr>
<th>Reportable segments</th>
<th>Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secure monitoring and response</td>
<td>Alarm monitoring and response and technical installations</td>
</tr>
<tr>
<td>Manned security</td>
<td>Manned security and security technology</td>
</tr>
<tr>
<td>Cash solutions</td>
<td>Integrated cash management</td>
</tr>
<tr>
<td>Facilities management services</td>
<td>Facilities management, maintenance services and accounting services</td>
</tr>
<tr>
<td>Cleaning services</td>
<td>Contract cleaning and specialist technique cleaning</td>
</tr>
</tbody>
</table>

The Group’s Managing Director reviews the internal management reports of each division at least monthly.
### GROUP

#### Business segments - 2015

<table>
<thead>
<tr>
<th>Segment</th>
<th>Security Systems</th>
<th>Manned Security</th>
<th>Cash Solutions</th>
<th>Facilities Management</th>
<th>Cleaning Services</th>
<th>Total Segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of goods</td>
<td>8 798 121</td>
<td>311 455</td>
<td>2 010 468</td>
<td>569 040</td>
<td>1 983 580</td>
<td>13 672 664</td>
</tr>
<tr>
<td>Rendering of service</td>
<td>55 958 733</td>
<td>62 411 357</td>
<td>58 979 459</td>
<td>3 131 064</td>
<td>14 457 077</td>
<td>194 938 690</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>64 756 854</td>
<td>62 723 812</td>
<td>60 989 927</td>
<td>3 700 104</td>
<td>16 440 657</td>
<td>208 611 354</td>
</tr>
<tr>
<td>Inter-segment revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(626 226)</td>
<td>(626 226)</td>
</tr>
<tr>
<td>Segment revenue</td>
<td>64 756 854</td>
<td>62 723 812</td>
<td>60 989 927</td>
<td>3 700 104</td>
<td>15 814 431</td>
<td>207 985 128</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>13 653 669</td>
<td>5 100 085</td>
<td>18 325 321</td>
<td>807 604</td>
<td>1 232 506</td>
<td>39 119 185</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1 987 695</td>
<td>2 673 197</td>
<td>3 649 866</td>
<td>175 404</td>
<td>1 106 213</td>
<td>9 592 375</td>
</tr>
<tr>
<td>Finance income</td>
<td>1 514 929</td>
<td>860 755</td>
<td>1 032 906</td>
<td>34 430</td>
<td>904</td>
<td>3 443 924</td>
</tr>
<tr>
<td>Finance expense</td>
<td>(15 556)</td>
<td>(8 839)</td>
<td>(10 607)</td>
<td>(353)</td>
<td>-</td>
<td>(35 355)</td>
</tr>
<tr>
<td>Total assets</td>
<td>47 195 632</td>
<td>26 815 700</td>
<td>32 178 840</td>
<td>1 072 627</td>
<td>4 893 255</td>
<td>112 156 054</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>1 722 070</td>
<td>2 297 111</td>
<td>4 513 346</td>
<td>206 743</td>
<td>1 298 472</td>
<td>10 037 742</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(12 337 006)</td>
<td>(7 009 663)</td>
<td>(8 411 595)</td>
<td>(280 386)</td>
<td>(1 888 140)</td>
<td>(29 926 790)</td>
</tr>
</tbody>
</table>

### COMPANY

#### Business segments - 2015

<table>
<thead>
<tr>
<th>Segment</th>
<th>Security Systems</th>
<th>Manned Security</th>
<th>Cash Solutions</th>
<th>Facilities Management</th>
<th>Total Segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of goods</td>
<td>8 798 121</td>
<td>311 455</td>
<td>2 010 468</td>
<td>569 040</td>
<td>11 689 084</td>
</tr>
<tr>
<td>Rendering of service</td>
<td>55 958 733</td>
<td>62 411 357</td>
<td>58 979 459</td>
<td>3 131 064</td>
<td>180 481 613</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>64 756 854</td>
<td>62 723 812</td>
<td>60 989 927</td>
<td>3 700 104</td>
<td>192 170 697</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>13 905 764</td>
<td>5 234 480</td>
<td>18 494 795</td>
<td>813 220</td>
<td>38 448 259</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1 987 695</td>
<td>2 673 197</td>
<td>3 649 866</td>
<td>175 404</td>
<td>8 486 162</td>
</tr>
<tr>
<td>Finance income</td>
<td>1 514 929</td>
<td>860 755</td>
<td>1 032 906</td>
<td>34 430</td>
<td>3 443 020</td>
</tr>
<tr>
<td>Finance expense</td>
<td>(15 556)</td>
<td>(8 839)</td>
<td>(10 607)</td>
<td>(353)</td>
<td>(35 355)</td>
</tr>
<tr>
<td>Total assets</td>
<td>47 195 632</td>
<td>26 815 700</td>
<td>32 178 840</td>
<td>1 072 627</td>
<td>107 262 799</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>1 722 070</td>
<td>2 297 111</td>
<td>4 513 346</td>
<td>206 743</td>
<td>8 739 270</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(12 337 006)</td>
<td>(7 009 663)</td>
<td>(8 411 595)</td>
<td>(280 386)</td>
<td>(28 038 650)</td>
</tr>
</tbody>
</table>
28. **Segmental reporting [continued]**

**GROUP**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of goods</td>
<td>7 888 477</td>
<td>592 564</td>
<td>2 549 922</td>
<td>571 219</td>
<td>735 274</td>
<td>12 337 456</td>
</tr>
<tr>
<td>Rendering of service</td>
<td>60 766 673</td>
<td>57 380 960</td>
<td>52 587 327</td>
<td>2 742 099</td>
<td>15 189 648</td>
<td>188 666 707</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>68 655 150</td>
<td>57 973 524</td>
<td>55 137 249</td>
<td>3 313 318</td>
<td>15 924 922</td>
<td>201 004 163</td>
</tr>
<tr>
<td>Inter-segment revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(564 551)</td>
<td>(564 551)</td>
</tr>
<tr>
<td>Segment revenue</td>
<td>68 655 150</td>
<td>57 973 524</td>
<td>55 137 249</td>
<td>3 313 318</td>
<td>15 360 371</td>
<td>200 439 612</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>16 591 230</td>
<td>4 757 937</td>
<td>12 572 173</td>
<td>283 337</td>
<td>1 744 874</td>
<td>35 949 551</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(3 374 631)</td>
<td>(3 111 421)</td>
<td>(4 227 651)</td>
<td>(61 274)</td>
<td>(370 951)</td>
<td>(11 145 928)</td>
</tr>
<tr>
<td>Finance income</td>
<td>682 947</td>
<td>388 038</td>
<td>465 645</td>
<td>15 522</td>
<td>923</td>
<td>1 553 075</td>
</tr>
<tr>
<td>Finance expense</td>
<td>(14 792)</td>
<td>(8 405)</td>
<td>(10 085)</td>
<td>(336)</td>
<td>-</td>
<td>(33 618)</td>
</tr>
<tr>
<td>Total assets</td>
<td>43 695 191</td>
<td>24 826 813</td>
<td>29 792 176</td>
<td>993 072</td>
<td>5 092 218</td>
<td>104 399 470</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>709 022</td>
<td>3 020 158</td>
<td>5 021 528</td>
<td>3 077</td>
<td>416 894</td>
<td>9 170 679</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(13 314 194)</td>
<td>(7 396 775)</td>
<td>(8 900 227)</td>
<td>(278 337)</td>
<td>(2 234 110)</td>
<td>(32 123 643)</td>
</tr>
</tbody>
</table>

**COMPANY**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of goods</td>
<td>7 888 477</td>
<td>592 564</td>
<td>2 549 922</td>
<td>571 219</td>
<td>11 602 182</td>
</tr>
<tr>
<td>Rendering of service</td>
<td>60 766 673</td>
<td>57 380 960</td>
<td>52 587 327</td>
<td>2 742 099</td>
<td>173 477 059</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>68 655 150</td>
<td>57 973 524</td>
<td>55 137 249</td>
<td>3 313 318</td>
<td>185 079 241</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>16 591 230</td>
<td>4 757 937</td>
<td>12 572 173</td>
<td>283 337</td>
<td>34 204 677</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(3 374 631)</td>
<td>(3 111 421)</td>
<td>(4 227 651)</td>
<td>(61 274)</td>
<td>(10 774 977)</td>
</tr>
<tr>
<td>Finance income</td>
<td>682 947</td>
<td>388 038</td>
<td>465 645</td>
<td>15 522</td>
<td>1 552 152</td>
</tr>
<tr>
<td>Finance expense</td>
<td>(14 792)</td>
<td>(8 405)</td>
<td>(10 085)</td>
<td>(336)</td>
<td>(33 618)</td>
</tr>
<tr>
<td>Total assets</td>
<td>43 695 191</td>
<td>24 826 813</td>
<td>29 792 176</td>
<td>993 072</td>
<td>99 307 252</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>709 022</td>
<td>3 020 158</td>
<td>5 021 528</td>
<td>3 077</td>
<td>8 753 785</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(13 314 194)</td>
<td>(7 396 775)</td>
<td>(8 900 227)</td>
<td>(278 337)</td>
<td>(29 889 533)</td>
</tr>
</tbody>
</table>
28. **Segmental reporting [continued]**

Reconciliation of information on reportable segments to IFRS measures.

<table>
<thead>
<tr>
<th></th>
<th>2015 Pula</th>
<th>2014 Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue for reportable segments</td>
<td>208 611 354</td>
<td>201 004 163</td>
</tr>
<tr>
<td>Elimination of inter-segment revenue</td>
<td>(626 226)</td>
<td>(564 551)</td>
</tr>
<tr>
<td>Consolidated revenues</td>
<td>207 985 128</td>
<td>200 439 612</td>
</tr>
<tr>
<td><strong>2. Profit before tax</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total profit before tax for reportable segments</td>
<td>39 119 185</td>
<td>35 949 551</td>
</tr>
<tr>
<td>Consolidated profit from continuing operations</td>
<td>39 119 185</td>
<td>35 949 551</td>
</tr>
<tr>
<td><strong>3. Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets for reportable segments</td>
<td>112 156 054</td>
<td>104 399 470</td>
</tr>
<tr>
<td>Consolidated total assets</td>
<td>112 156 054</td>
<td>104 399 470</td>
</tr>
<tr>
<td><strong>4. Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities for reportable segments</td>
<td>29 926 790</td>
<td>32 123 643</td>
</tr>
<tr>
<td>Consolidated total liabilities</td>
<td>29 926 790</td>
<td>32 123 643</td>
</tr>
</tbody>
</table>

29. **Prior period error**

During 2013 the entity granted a third party an option to purchase a 23% shareholding in G4S Facilities Management (Botswana). This was incorrectly accounted for as a sale of a portion of the subsidiary to a non controlling interest. Furthermore, goodwill was incorrectly reversed in the accounting for the sale of a portion of the subsidiary to the non controlling interest. This was rectified in the current period’s financial statements. The goodwill and NCI have been restated to their correct amounts, and the long term receivable and profit on sale have been derecognised. This can be seen in the table on the following page, indicating the quantitative changes to the various FSLIs.
29. Prior period error [continued]

GROUP

<table>
<thead>
<tr>
<th></th>
<th>Retained earnings Pula</th>
<th>Non-Controlling Interest Pula</th>
<th>Goodwill Pula</th>
<th>Non-current asset receivable Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previously reported - 31 December 2013</td>
<td>46 950 030</td>
<td>1 211 825</td>
<td>15 463 558</td>
<td>2 900 000</td>
</tr>
<tr>
<td>Adjustment</td>
<td>230 606</td>
<td>(528 062)</td>
<td>2 602 544</td>
<td>(2 900 000)</td>
</tr>
<tr>
<td>Restated - 31 December 2013</td>
<td>47 180 636</td>
<td>683 763</td>
<td>18 066 102</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the year previously reported</td>
<td>28 163 044</td>
<td>683 763</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjustment</td>
<td>308 393</td>
<td>(308 329)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restated</td>
<td>28 471 437</td>
<td>375 434</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividends paid/declared</td>
<td>(16 898 000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restated - 31 December 2014</td>
<td>58 754 073</td>
<td>1 059 197</td>
<td>18 066 102</td>
<td>-</td>
</tr>
</tbody>
</table>

Basic earnings per share for the prior year have also been restated. The amount of the correction for basic earnings per share was an increase of 0.86 thebe per share.

COMPANY

<table>
<thead>
<tr>
<th></th>
<th>Retained earnings Pula</th>
<th>Investment in subsidiary Pula</th>
<th>Non-current asset receivable Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previously reported - 31 December 2013</td>
<td>46 644 582</td>
<td>4 841 470</td>
<td>2 900 000</td>
</tr>
<tr>
<td>Adjustment</td>
<td>(297 453)</td>
<td>2 602 547</td>
<td>(2 900 000)</td>
</tr>
<tr>
<td>Restated - 31 December 2013</td>
<td>46 347 129</td>
<td>7 444 017</td>
<td>-</td>
</tr>
</tbody>
</table>

30. Interests in other entities

Subsidiary

The company has one subsidiary, G4S Facilities Management Botswana (Pty) Limited, that is material to the Group in 2015 and 2014. The company holds majority of voting rights in the subsidiary (72%).

The following subsidiary has material NCI:

<table>
<thead>
<tr>
<th>Name</th>
<th>Nature of Business</th>
<th>Ownership interest held by NCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4S Facilities Management Botswana (Pty) Limited</td>
<td>Cleaning and Facilities Services</td>
<td>28%</td>
</tr>
</tbody>
</table>

The following is summarised financial information for G4S Facilities Management Botswana (Pty) Limited, prepared in accordance with IFRS and Group’s accounting policies. The information is before intercompany eliminations with G4S (Botswana) Limited.
Notes to the financial statements [continued]
for the year ended 31 December 2015

30. Interests in other entities

<table>
<thead>
<tr>
<th></th>
<th>2015 Pula</th>
<th>2014 Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summarised balance sheet</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>3 692 996</td>
<td>4 002 275</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(2 796 431)</td>
<td>(3 046 338)</td>
</tr>
<tr>
<td><strong>Current net assets</strong></td>
<td>896 565</td>
<td>955 937</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>1 298 978</td>
<td>1 106 374</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>(97 393)</td>
<td>(128 548)</td>
</tr>
<tr>
<td><strong>Non-current net assets</strong></td>
<td>1 201 585</td>
<td>977 826</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>2 098 150</td>
<td>1 933 763</td>
</tr>
<tr>
<td>Accumulated NCI</td>
<td>587 482</td>
<td>541 454</td>
</tr>
</tbody>
</table>

**Summarised statement of comprehensive income**

<table>
<thead>
<tr>
<th></th>
<th>2015 Pula</th>
<th>2014 Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>16 440 657</td>
<td>15 924 922</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>951 507</td>
<td>1 340 838</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>951 507</td>
<td>1 340 838</td>
</tr>
<tr>
<td>Profit attributable to NCI</td>
<td>266 422</td>
<td>375 434</td>
</tr>
<tr>
<td>Dividends paid to NCI</td>
<td>242 918</td>
<td>-</td>
</tr>
</tbody>
</table>

**Summarised cash flows**

<table>
<thead>
<tr>
<th></th>
<th>2015 Pula</th>
<th>2014 Pula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>1 266 448</td>
<td>1 047 435</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>(1 259 569)</td>
<td>(408 970)</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>(242 918)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net (decrease)/increase in cash and cash equivalents</strong></td>
<td>(236 039)</td>
<td>638 465</td>
</tr>
</tbody>
</table>

31. Events occurring after the reporting period

There are no material adjusting events after the reporting period.

32. Contingent liabilities and assets

There are no contingent liabilities and assets as at the end of 31 December 2015.
Form of Proxy

For completion by holders of Ordinary Shares

PLEASE READ THE NOTES OVERLEAF BEFORE COMPLETING THIS FORM.

**EXPRESSIONS USED IN THIS FORM SHALL, UNLESS THE CONTEXT REQUIRES OTHERWISE, BEAR THE SAME MEANINGS AS IN THE NOTICE OF ANNUAL GENERAL MEETING OF G4S ISSUED ON 04 July 2016.**

For use at the Annual General Meeting of Shareholders of the Company to be held at The Cresta Lodge, Gaborone at 1600hrs

I/We ___________________________________________________________________________

(Names in block letters)

Of ______________________________________________________________________________

(Address)

Appoint (see note 2):

1. ____________________________________________________________________________ of failing him/her

2. ____________________________________________________________________________ of failing him/her

3. the Chairman of the Meeting

as my/our proxy to act for me/us at the General Meeting which will be held, in addition to considering the ordinary business, for the purpose of considering and if deemed fit, passing with or without modification, the resolutions to be proposed under the special business vote thereof and at each adjournment thereof, and to vote for or against the resolutions and/or abstain from voting in respect of the Ordinary Shares registered in my/our name in accordance with the following instructions (see note 2):

<table>
<thead>
<tr>
<th>Agenda</th>
<th>Resolution</th>
<th>Number of Ordinary Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>For</td>
</tr>
<tr>
<td>Agenda Item 2</td>
<td>Ordinary Resolution 1</td>
<td></td>
</tr>
<tr>
<td>Agenda Item 3</td>
<td>Ordinary Resolution 2</td>
<td></td>
</tr>
<tr>
<td>Agenda Item 4</td>
<td>Ordinary Resolution 3</td>
<td></td>
</tr>
<tr>
<td>Agenda Item 5</td>
<td>Ordinary Resolution 4</td>
<td></td>
</tr>
<tr>
<td>Agenda Item 6</td>
<td>Ordinary Resolution 5</td>
<td></td>
</tr>
<tr>
<td>Agenda Item 7</td>
<td>Ordinary Resolution 6</td>
<td></td>
</tr>
<tr>
<td>Agenda Item 8</td>
<td>Ordinary Resolution 7</td>
<td></td>
</tr>
</tbody>
</table>

Signed at ___________________________________________________________________________ on ___________________________________________________________________________ 2016

Signature __________________________________________________________________________

Assisted by (where applicable)

Each Shareholder is entitled to appoint one or more proxies (who need not be Member/s of the Company) to attend, speak and vote in place of that Shareholder at the General Meeting.

Please read the notes on the reverse side hereof.
Notes

1. A Shareholder must insert the names of two alternative proxies of the Shareholder’s choice in the space provided, with or without deleting “Chairman of the Annual General Meeting”. The person whose name appears first on the form of proxy, and whose name has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow.

2. A Shareholder’s instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorize the proxy to vote at the General Meeting as he/she deems fit in respect of the Shareholder’s votes exercisable thereat, but where the proxy is the Chairman, failure to comply will be deemed to authorize the proxy to vote in favor of the resolution. A Shareholder or his/her proxy is obliged to use all the votes exercisable by the Shareholder or by his/her proxy.

3. Forms of proxy must be lodged at or posted to the Transfer Secretaries of the Company, Grant Thornton Botswana, Acumen Park, Plot 50370 Fairgrounds, and P.O. Box 1 157, Gaborone to be received not later than 24 hours before the General Meeting.

4. The completion and lodging of this form will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereto to the exclusion of any proxy appointed in terms hereof should such Shareholder wish to do so.

5. The Chairman of the General Meeting may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that he is satisfied as to the manner in which the Shareholder concerned wishes to vote.

6. An instrument of proxy shall be valid for the General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.

7. A vote given in accordance with the terms of a proxy shall be valid, notwithstanding the previous death or insanity of the Shareholder, or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the Ordinary Shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company not less than one hour before the commencement of the General Meeting or adjourned General Meeting at which the proxy is to be used.

8. The authority of a person signing the form of proxy under a power of attorney or on behalf of a company must be attached to the form of proxy, unless the authority or full power of attorney has already been registered by the Company or the Transfer Secretaries.

9. Where Ordinary Shares are held jointly, all joint Shareholders must sign.

10. A minor must be assisted by his/her guardian, unless relevant documents establishing his/her legal capacity are produced or have been registered by the Company.
Notice of Annual General Meeting
for the year ended 31 December 2015

Notice is hereby given that the 37th Annual General Meeting of Shareholders of G4S (BOTSWANA) LIMITED(G4S OR “THE COMPANY”) will be held at The Cresta Lodge at 16h00 on Wednesday, 27th July 2016, the for the purpose of transacting the following business:

Agenda

1. To establish the presence of a quorum and read the notice convening the meeting,

2. To receive, consider, and adopt the audited financial statements for the year ended 31st December 2015 together with the director’s and auditor’s reports thereon;

3. To consider and ratify the distribution of dividend declared for the year ended 31st December 2015.
   • Gross Dividend declared in September 2015 - P0.10874 thebe per share
   • Gross Dividend declared in April 2016 - P0.10872 thebe per share

4. To re-elect Gaone Susan Macholo who retires by rotation in terms of section 20.10 of the Constitution and being eligible, offers herself for re-election.

5. To re-elect Lebang Mogaetsho Mpotokwane who retires by rotation in terms of section 20.10 of the Constitution and, being eligible, offers himself for re-election.

6. To confirm the appointment of Mr Bernard Motshidisi Mvami who was appointed by the Board as Director on 29th June 2015.

7. To confirm the appointment of Albert Edward Euckermann who was appointed by the Board as Director on 16th March 2016.

8. To consider and ratify remuneration paid to directors for the year ended 31st December 2015 as set out on page 73 of the Annual Report

9. To approve remuneration paid to the auditors for the year ended 31st December 2015 as set out on page 72 and appoint PWC as auditors for the ensuing financial year.

Voting and Proxies

All holders of shares entitled to vote will be entitled to attend and vote at the Annual General Meeting. A holder of shares who is present in person, by authorised representative or by proxy shall have one vote on show of hands and have one vote for every ordinary share held on a poll.

Each shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (none of whom need be shareholders of the Company) to attend, speak and subject to the constitution of the company vote in his/her/its stead. The form of proxy for the Annual General meeting which sets out the relevant instructions for its completion, is annexed hereto.

In order to be effective, a duly completed form of proxy must be received at the Transfer Secretaries, Grant Thornton Botswana, Acumen Park, Plot 50370 Fairgrounds, and P.O. Box 1157, Gaborone by not later than 16h00 on the 25th July 2016.

By Order of the Board

Lebang M Mpotokwane
Chairman of the Board of Directors

Michael Kampani
Managing Director

4th July 2016